CITY OF WYLIE

CAFR

Comprehensive Annual Financial Report

For the Year Ended September 30, 2018
City of Wylie, Texas

"Entwine" - Michael Szabo.

CITY OF WYLIE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2018

AS PREPARED BY THE
FINANCE DEPARTMENT

CITY OF WYLIE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

TABLE OF CONTENTS

	Exhibit	Page
I. INTRODUCTORY SECTION		
Letter of Transmittal		i
GFOA Certificate of Achievement		v
Organizational Chart		vi
Principal Officials		vii
II. FINANCIAL SECTION		
Independent Auditor's Report		1
A. MANAGEMENT'S DISCUSSION AND ANALYSIS		5
B. BASIC FINANCIAL STATEMENTS		
Government-Wide Financial Statements		
Statement of Net Position	A-1	15
Statement of Activities	A-2	16
Fund Financial Statements		
Governmental Fund Financial Statements		
Balance Sheet	A-3	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	A-4	20
Statement of Revenues, Expenditures, and Changes in Fund Balance	A-5	21
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	A-6	22
Proprietary Fund Financial Statements		
Statement of Net Position	A-7	24
Statement of Revenues, Expenses, and Changes in Fund Net Position	A-8	26
Statement of Cash Flows	A-9	27
Notes to the Basic Financial Statements		28
C. REQUIRED SUPPLEMENTARY INFORMATION		
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget (GAAP Basis) and Actual- General Fund	A-10	62
Notes to Budget Comparison Schedule		64
Schedule of Changes in Net Pension Liability and Related Ratios - TMRS	A-11	65
Schedule of Pension Contributions - TMRS	A-12	66
Schedule of Changes in Total OPEB Liability and Related Ratios - TMRS	A-13	67
Schedule of OPEB Contributions - TMRS	A-14	68
Notes to Texas Municipal Retirement System Required Supplementary Information		69
D. COMBINING AND BUDGETARY FUND FINANCIAL STATEMENTS AND SCHEDULES		
Major Governmental Funds		
Budgetary Comparison Schedule - General Obligation Debt Service Fund	A-15	72

TABLE OF CONTENTS – CONTINUED

	Exhibit	Page
Nonmajor Governmental Funds		
Combining Balance Sheet	B-1	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	B-2	76
Nonmajor Special Revenue Funds		
Budgetary Comparison Schedules:		
4B Sales Tax Revenue Fund	C-1	78
Park Acquisition and Improvement	C-2	79
Fire Training Center	C-3	80
Fire Development Fees	C-4	81
Municipal Court Technology Fund	C-5	82
Municipal Court Building Security Fund	C-6	83
Hotel Tax Fund	C-7	84
Federal Seizure Fund	C-8	85
Judicial Efficiency Fund	C-9	86
Truancy Court Fund	C-10	87
Nonmajor Debt Service Funds		
Budgetary Comparison Schedules:		
4B Debt Service 1996	D-1	88
4B Debt Service 2005	D-2	89

III. STATISTICAL SECTION	Table	
Net Position By Component	1	94
Expenses, Program Revenues, and Net (Expense)/Revenue	2	96
General Revenues and Total Change in Net Position	3	98
Fund Balances of Governmental Funds	4	100
Changes in Fund Balances of Governmental Funds	5	102
Tax Revenues by Source, Governmental Funds	6	104
Assessed Value and Estimated Actual Value of Taxable Property	7	105
Direct and Overlapping Property Tax Rates	8	106
Principal Property Tax Payers	9	107
Property Tax Levies and Collections	10	108
Direct and Overlapping Sales Tax Revenue	11	109
Taxable Sales by Category	12	110
Ratios of Outstanding Debt by Type	13	112
Ratios of General Bonded Debt Outstanding	14	114
Direct and Overlapping Governmental Activities Debt	15	115
Legal Debt Margin Information	16	116
Pledged-Revenue Coverage	17	118
Demographic and Economic Statistics	18	120
Principal Employers	19	122
Full-Time Equivalent Employees by Function/Program	20	123
Operating Indicators by Function/Program	21	124
Capital Asset Statistics by Function/Program	22	126

INTRODUCTORY SECTION

BACK TO TABLE OF CONTENTS

BACK TO TABLE OF CONTENTS

Our Mission…
…to be responsible stewards of the public trust,
to strive for excellence in public service
and to enhance the quality of life for all.

January 22, 2019

The Honorable Eric Hogue, Mayor
Members of the City Council
And the Citizens
City of Wylie, Texas

Financial policies of the City of Wylie require that the City's Finance Department prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Accordingly, the Comprehensive Annual Financial Report (CAFR) for the City of Wylie, Texas for the fiscal year ended September 30, 2018, is hereby issued.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making the representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial records have been audited by Weaver LLP, Certified Public Accountants, as required by the City Charter. This CAFR has been prepared based upon those audited records. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2018 are free of material misstatement. This independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the City

The City of Wylie is located in the south central portion of Collin County, approximately 23 miles northeast of downtown Dallas. Incorporated in 1887, the City adopted its Home Rule Charter on January 19, 1985 and operates under a council-manager form of government. The City Council is comprised of a Mayor and six council members. All members are elected at-large on a staggered and nonpartisan basis for three-year terms. They are responsible to enact local legislation, provide policy, and annually adopt the operating budget. They appoint the City Manager, City Attorney, Judge of the Municipal Court and members of various boards and commissions. The City Manager, under the oversight of the City Council, is responsible for the proper administration of the daily operations of the City.

The City provides a full range of municipal services including general government, public safety (police, fire, and emergency communications), streets, library, parks and recreation, planning and zoning, code enforcement, animal control, and water and sewer utilities. Sanitation services are provided by the City but are privately contracted. The Wylie Economic Development Corporation (WEDC) is included in the financial statements as a discrete component unit. Its purpose is to aid, promote and further economic development within the City. The Wylie Park and Recreation Facilities Development Corporation (4B Corporation) is also combined within the financial statements of the City. Both WEDC and the 4B Corporation are primarily funded with sales tax revenues. Both corporations are discussed more fully in the notes to the financial statements.

The annual budget of the City serves as the foundation for its financial plan and control. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, ordinances and state law. The budget process begins each year with a budget message from the City Manager highlighting the objectives to be used in developing departmental budgets. The departmental budgets are then reviewed by the City Manager and a proposed budget is prepared for presentation to the City Council. The City Council reviews the budget in subsequent work sessions and a formal budget is prepared and made available to the public for review by August 5th each year or a date to be determined by the City Council. Prior to official adoption of the budget by Council, a public hearing on the proposed budget is held to allow for public input. Of the twenty-five governmental funds the City maintains, fourteen of them are annually appropriated. These include the General Fund, ten Special Revenue Funds and the three Debt Service Funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Wylie operates.

Local economy

Fast paced growth continues throughout the City. After the City's growth underwent a slowdown which went hand in hand with the nationwide economic downturn, there was a much improved environment in Fiscal Year 2013. The growth rate began improving in Fiscal Year 2013, and has continued to be robust since Fiscal Year 2015. The 2018 population of the City has been estimated at about 52,003. This represents a 3.7% growth over the previous year's population which was 50,152. The growth is also evidenced in residential construction. Residential construction permits remain steady, ending the year at 543. This continues the strong issuance of building permits that first began in Fiscal Year 2013. The economy remains strong and this is also evidenced in the tax base. When both residential and commercial growth is considered, our total tax base increased by 12.8% over the previous year. Our freeze adjusted taxable assessed value this year, as provided by the Collin Central Appraisal District, Dallas Central Appraisal District and Rockwall Central Appraisal District, was $3,776,813,114.

The City's continued pace of growth is due to a favorable economic environment enhanced by the partnership between the City and the Wylie Economic Development Corporation. In 2018 Woodbridge Crossing, a Target-anchored center, announced plans to construct 24,000 square feet of new in-line space. Future tenants will include Ulta, Skechers and an 8,000 square foot spec retail space. Also planned is an additional 5,400 square foot building which will be occupied by MOD Pizza, with space for one additional retailer.

2018 also saw Woodbridge Centre, a Kroger-anchored center, welcome the arrival of Credit Union of Texas and Pet Supplies Plus. Also announced was the leasing of the last remaining end-cap of this center to Burgerim, a high-end gourmet burger establishment.

As further evidence of an expanding economy, Woodbridge Crossing and Woodbridge Centre experienced 4.6% and 13.5% growth in retail sales respectively. From a regional perspective, Wylie benefits greatly from the expanding populations of Sachse, Murphy, and Lavon with a Retail Trade Area population of 215,264.

2018 concluded a nine year strategic plan of redeveloping and revitalizing targeted properties on Hwy 78, a major thoroughfare through the City. Over the past decade, the Wylie Economic Development Corporation assembled seven properties and this overall redevelopment freed up 5+ acres of prime commercial property, creating three retail pad sites and forever changing the landscape along Hwy 78. Two primary employers were able to relocate to industrial parks here in Wylie and the City welcomed Chick-fil-a to the newly redeveloped Hwy 78 area. Another pad site was recently sold to a developer who proposed a 10,000 square foot, multi-tenant building. With construction now underway, secured tenants include a Schlotzsky's Austin Eatery, dental office, and a hair salon, in addition to 3,500 square feet of lease space which is being marketed to restaurant users.

Development of Industrial & Warehouse flex space is trending upwards due to limited inventory and high demand. Overall project activity in Wylie's Regency Business Park has been at all-time highs with projected construction of at least 100,000 square feet anticipated in 2019.

The majority of the City has completed its recovery from the two severe hail storms it experienced during the spring of 2016. 80% of buildings throughout Wylie experienced damage with a dollar value of approximately $4 billion. All City facilities have been repaired and are fully operational with the exception of the Public Safety Building whose damage was extensive. A remodel and expansion plan for this building has been approved and 2019 will see the beginning of construction for this $13,000,000 project.

Finally, the Ground Breaking of Collin College's Wylie Campus was celebrated in 2018. The 7,500-student campus will open in 2020. This will significantly increase the daytime population in the City thus making it more appealing to small and mid-size businesses in addition to restaurants and retailers.

Long-term financial planning

In 2006, the City developed a Long-Range Financial Plan. The plan included street and park improvements, a new city hall, library, fire station, recreation center and sidewalks. The voters of the City of Wylie authorized the City to issue $73,950,000 in General Obligation Bonds to fund this capital improvement program. The first series of General Obligation bonds were sold in late March of 2006 and the remaining bonds were sold in August of 2008. Since that time the City has refunded various bond issues to obtain more favorable interest rates. Certificates of Obligation in the amount of $7,175,000 were sold in Fiscal Year 2017 that will provide funding for new capital assets in the City's water storage and metering systems. Partial funding of the Public Safety Building remodel and expansion will be provided by Certificates of Obligation issued in 2018 for $8,500,000. The remaining cost of this project will be funded with insurance proceeds and excess Fund Balance from the General Fund.

Relevant financial policies

During Fiscal Year 2018, the City Council approved the Financial Management Policies and no significant changes were made to the previous policies.

Financial policies state that, "It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 25% of expenditures. The City considers a balance of less than 20% to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance falls below the goal or has a deficiency, the City will appropriate funds in future budgets to replenish the fund balance based on a time table deemed adequate by the City Council."

Major initiatives

The City Council worked together to continue efforts on their previously adopted mission, vision and values that are used for strategic planning purposes. The budget for Fiscal Year 2018-19 approved by the City Council reflected a decrease in the property tax rate of $0.055152 per $100 of assessed property valuation. This rate was the City's calculated effective tax rate and was the seventh consecutive year the Council has decreased the tax rate.

Awards and Acknowledgements

Recognition

Various awards came to the City throughout the year. Benzinga, an innovative financial media company, named Wylie the 4th Safest City to live in the United States. Wylie's Rita & Truett Smith Public Library received The Achievement of Excellence in Libraries Award which is conferred annually to libraries that demonstrate consistent excellence and outstanding contributions to public library services within their communities. Wylie Fire Rescue received the coveted ranking of Best Practices Fire Department from the Texas Fire Chiefs Association and maintained their ISO 1 ranking by the property/casualty insurance industry. Wylie Recreation received the Regional Texas Recreation and Park Society 2018 Excellence in Programming Award. The City also was recognized for their efforts of increasing environmental awareness with the Keep Texas Beautiful Government Award. The honor was for cities with a population of 30,000-50,000.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wylie for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2017. The City has participated in the program for many years and has been awarded the Certificate numerous times. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. We would also like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. Acknowledgement is also given to representatives of Weaver, LLP, Certified Public Accountants for their dedicated assistance in producing this report.

Special acknowledgement is given to the City Manager, Mayor and the members of the City Council for their support for maintaining the highest standards of professionalism in the management of the City of Wylie finances.

Respectfully submitted,

Melissa Beard
Finance Director

Ron Arp
Assistant Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wylie

Texas

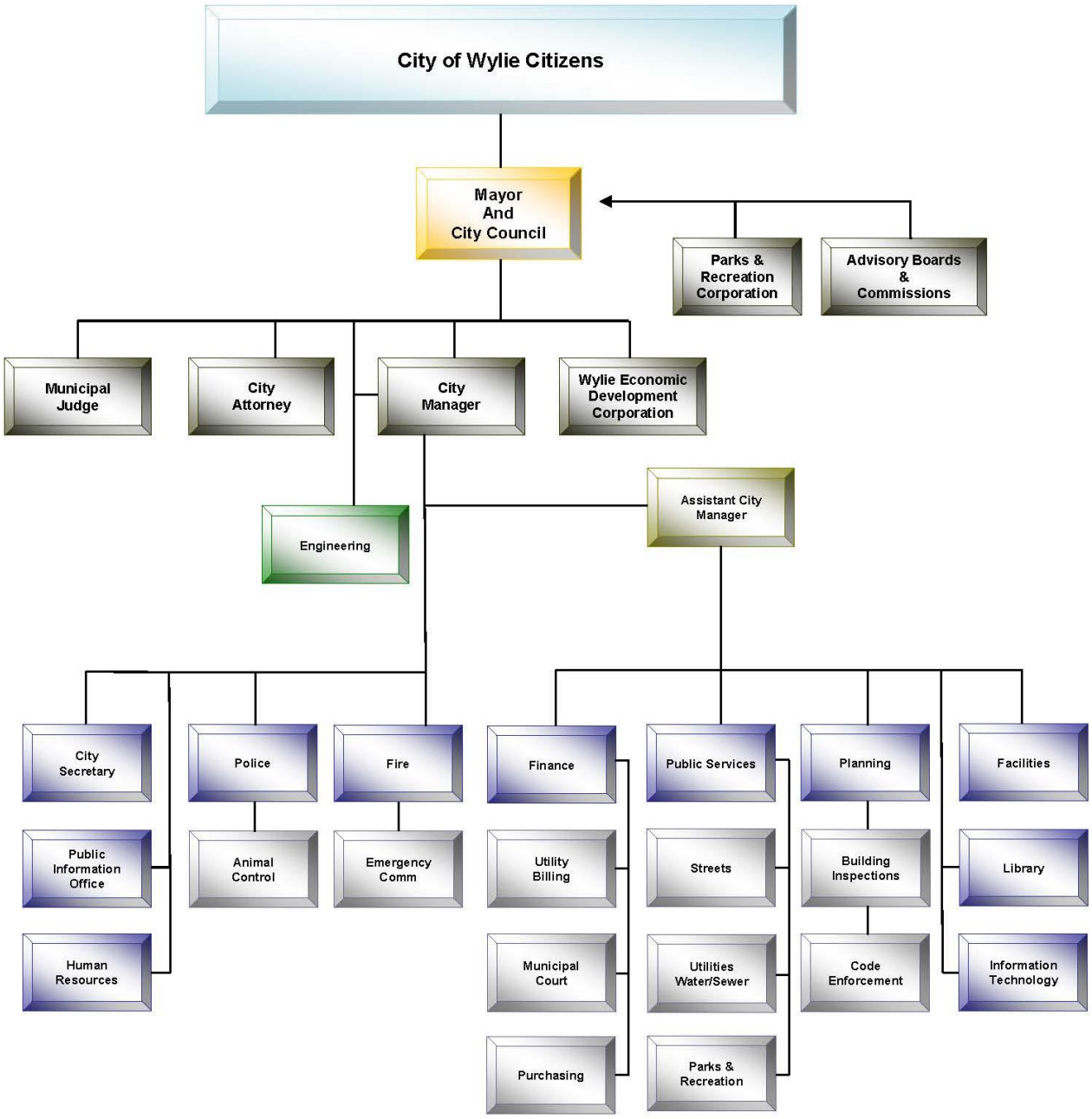
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrill

Executive Director/CEO

FY 2018 CITY OF WYLIE
ORGANIZATIONAL CHART



CITY OF WYLIE, TEXAS

PRINCIPAL OFFICIALS
September 30, 2018

City Council

Eric Hogue, Mayor
Keith Stephens, Mayor Pro Tem
Matthew Porter, Councilmember
Jeff Forrester, Councilmember
Candy Arrington, Councilmember
Dr. Timothy T. Wallis, Councilmember
David Dahl, Councilmember

City Staff

Mindy Manson, City Manager
Chris Holsted, Assistant City Manager
Stephanie Storm, City Secretary
Melissa Beard, Finance Director
Lety Yanez, Human Resources Director
Anthony Henderson, Police Chief
Brent Parker, Fire Chief
Tim Porter, Public Works Director
Robert Diaz, Parks & Recreation Director
Rachel Orozco, Library Director
Renae' Ollie, Development Services Director
Sam Satterwhite, WEDC Director

Other Appointed Officials

Weaver, LLP, Auditors
Abernathy, Roeder, Boyd & Hullett, PC, City Attorney
Norton Rose Fulbright US LLP, Bond Counsel
FirstSouthwest, A Division of Hilltop Securities, Financial Advisors

BACK TO TABLE OF CONTENTS

FINANCIAL SECTION

BACK TO TABLE OF CONTENTS

BACK TO TABLE OF CONTENTS

Independent Auditor's Report

Members of the City Council
City of Wylie, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wylie (the City) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in Note 18 to the financial statements, in 2018, the City adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Beginning net position has been restated to reflect the change in accounting principle for implementation of this Statement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, and the budgetary comparison information and Texas Municipal Retirement System pension and OPEB schedules on pages 62 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Members of the City Council
City of Wylie, Texas

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 16, 2019

CITY OF WYLIE
GULF, COLORADO &
SANTA FE RAILWAY
1887
STATE OF TEXAS

As management of the City of Wylie, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages one through four of this report.

Financial Highlights

- The unassigned portion of the General Fund fund balance at the end of the year was $16,202,153 or 42% of total General Fund expenditures. This includes the 25% of General Fund expenditures which is required to be held in General Fund fund balance per the City Council approved Financial Management Policies. That amount is $9,607,505. The remainder represents funds which may be used for one-time expenditures or unforeseen needs which the Council allocates for a specific purpose. The unassigned General Fund fund balance can be seen on page 18 of this report on the Balance Sheet-Governmental Funds. It is part of the total General Fund fund balances, September 30, 2018, shown on page 21 of this report on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

- The assets of the City exceeded its liabilities at the close of the fiscal year ended September 30, 2018, by $238,879,550 (net position). Of this amount, $34,858,069 (unrestricted portion of net position) may be used to meet the government's ongoing obligations to citizens and creditors. Included in the unrestricted portion of net position are monies from all the City's various funds which are not either committed to or restricted for other purposes.

- Exclusive of the cumulative effect of implementing GASB Statement No. 75 ($346,998), the City's total net position increased by $14,099,717. The effects of that change can be seen in Table 2. The increase is attributable to increases in revenues, particularly property tax revenues from new construction and intergovernmental revenues.

- The City's governmental funds reported combined ending fund balances of $49,401,101 , an increase of $11,571,552 in comparison to the previous year.

- Total bonded debt of the City increased by $1,731,289 during the fiscal year due to payments on bonded debt and the issuance of Series 2018 Combination Tax & Revenue Bonds that will provide funding for the renovation of the Public Safety Building.

- Exclusive of the cumulative effect of implementing GASB Statement No. 75, net position increased in the Utility Fund by $4,096,706 in comparison to the previous year. This was due primarily to the increase in revenue from sewer charges, increased water and sewer impact fee revenue and increases in capital contributions.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Wylie's finances. This is done in a manner similar to a private-sector business. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide statements distinguish between governmental activities and business-type activities. Governmental activities basically account for those activities supported by taxes and intergovernmental revenues. On the other hand, business-type activities are basically supported by user fees and charges. Most City services are reported in governmental activities while business-type activities are reported in the Enterprise Fund.

The government-wide statements include not only the City but also a discrete component unit, the Wylie Economic Development Corporation (WEDC). Although legally separate, WEDC is financially accountable to the City.

Fund financial statements. The City, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-five individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the General Obligation Debt Service Fund. All Capital Projects Funds are combined for a single, aggregated presentation. Data from the other non-major funds are also combined and reported in a single column. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The City maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the financial statements. The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found after the notes to the financial statements.

Government-Wide Financial Analysis

At the end of fiscal year 2018, the City's net position (assets exceeding liabilities) totaled $238,879,550 . This analysis focuses on the net position (Table 1) and changes in net position (Table 2).

Net Position. The largest portion of the City's net position, $191,399,673 , or 80.12%, reflects its investment in capital assets (land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, $12,621,808 , or 5.28%represents resources that are subject to external restrictions on how they may be used. The unrestricted portion of net position which is $34,858,069 (14.60%) may be used to meet the government's ongoing obligations to citizens and creditors.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	$ 54,212,921	$ 42,432,836	$ 30,990,190	$ 29,107,431	$ 85,203,111	$ 71,540,267
Capital assets	207,953,389	205,850,851	56,974,974	55,604,907	264,928,363	261,455,758
Total Assets	262,166,310	248,283,687	87,965,164	84,712,338	350,131,474	332,996,025
Deferred outflows of resources	8,432,588	10,708,701	658,747	865,924	9,091,335	11,574,625
Long term liabilities	99,880,530	99,567,819	13,575,982	14,459,797	113,456,512	114,027,616
Other liabilities	3,708,150	3,464,978	1,537,931	1,792,827	5,246,081	5,257,805
Total liabilities	103,588,680	103,032,797	15,113,913	16,252,624	118,702,593	119,285,421
Deferred inflows of resources	1,509,541	144,419	131,125	13,979	1,640,666	158,398
Net Position:						
Net investment in capital assets	139,434,589	131,493,684	51,965,084	50,328,296	191,399,673	181,821,980
Restricted for debt service	955,332	820,559	-	-	955,332	820,559
Restricted for capital projects	-	-	8,327,382	7,125,122	8,327,382	7,125,122
Restricted for economic development	2,902,277	2,992,341	-	-	2,902,277	2,992,341
Restricted for tourism	323,479	223,937	-	-	323,479	223,937
Restricted for other	113,338	108,295	-	-	113,338	108,295
Unrestricted	21,771,662	20,176,356	13,086,407	11,858,241	34,858,069	32,034,597
Total Net Position	$165,500,677	$155,815,172	$ 73,378,873	$ 69,311,659	$ 238,879,550	$225,126,831

Changes in Net Position. Exclusive of the cumulative effect of implementing GASB Statement No. 75, the net position of the City increased by $14,099,717 for the fiscal year ended September 30, 2018.

Governmental Activities. Governmental activities increased the City's net position by $10,003,011 from the prior year. This was primarily due to developer contributions of streets, alleys and drainage totaling $10,132,706. There also was a slight increase in ad valorem revenue from new residential construction.

Business-type Activities. Net position from business-type activities increased by $4,096,706 from the prior year Utility revenues from the growth of our customer base are partially responsible as well as increased revenue from bulk sewer charges. The majority of the net position increase is due to developer contributions for water and sewer infrastructure of approximately $2.5 million, in addition to $1.1 million collected for water and sewer impact fees.

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	$ 6,713,594	$ 6,542,140	$19,431,713	$18,169,571	$ 26,145,307	$ 24,711,711
Operating grants and contributions	346,444	364,935	-	-	346,444	364,935
Capital grants and contributions	11,809,600	15,186,815	3,646,800	3,280,520	15,456,400	18,467,335
General revenues:						
Ad valorem taxes	31,459,533	30,065,957	-	-	31,459,533	30,065,957
Sales taxes	7,859,294	7,993,453	-	-	7,859,294	7,993,453
Other taxes and fees	2,749,138	2,726,088	-	-	2,749,138	2,726,088
Interest	312,765	145,377	212,774	135,053	525,539	280,430
Gain (loss) disposal of capital assets	22,460	-	-	-	22,460	-
Miscellaneous	356,159	223,012	129,963	172,836	486,122	395,848
Total revenues	61,628,987	63,247,777	23,421,250	21,757,980	85,050,237	85,005,757
Expenses:						
General Government	10,540,621	9,460,047	-	-	10,540,621	9,460,047
Public Safety	20,843,027	17,893,012	-	-	20,843,027	17,893,012
Urban Development	1,354,808	1,179,962	-	-	1,354,808	1,179,962
Streets	8,832,924	8,044,783	-	-	8,832,924	8,044,783
Community Service	9,561,750	7,709,291	-	-	9,561,750	7,709,291
Interest on long-term debt	2,659,653	2,752,525	-	-	2,659,653	2,752,525
Water and sewer operations	-	-	17,157,737	15,334,168	17,157,737	15,334,168
Total expenses	53,792,783	47,039,620	17,157,737	15,334,168	70,950,520	62,373,788
Increase (decrease) in net position before transfers	7,836,204	16,208,157	6,263,513	6,423,812	14,099,717	22,631,969
Transfers	2,166,807	2,112,861	(2,166,807)	(2,112,861)	-	-
Increase (decrease) in net position	10,003,011	18,321,018	4,096,706	4,310,951	14,099,717	22,631,969
Net position - October 1	155,815,172	137,494,154	69,311,659	65,000,708	225,126,831	202,494,862
Cumulative effect of change in accounting principle	(317,506)	-	(29,492)	-	(346,998)	-
Net position - September 30	$165,500,677	$155,815,172	$73,378,873	$69,311,659	$238,879,550	$225,126,831

Government-Wide Financial Analysis

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of $49,401,101 .

The General Fund is the main operating fund of the City. At the end of the current fiscal year, unassigned fund balance was $16,202,153 . The unassigned fund balance of the General Fund decreased by $79,824 during the current fiscal year. The reason for the decrease is multi-faceted. Overall General Fund revenues increased slightly, mainly due to ad valorem tax revenue increase relative to the rise in overall property values. Expenditures were less than anticipated and $1.3 million was assigned this year for the remodel of Fire Station #2.

The General Obligation Debt Service Fund had an increase of $162,075 in fund balance. This was due to the increase in ad valorem property tax revenue from new construction. These funds are specifically restricted for the payment of debt service. The Capital Projects Fund increased $12,668,944 due to the issuance of $8,500,000 of bonds and a $3.8 million transfer from the General Fund for the Public Safety Building. Other governmental funds' combined fund balances increased $380,253 .

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide statements, but in more detail.

Unrestricted net position of the Utility Fund at the end of the year was $13,086,407. This represents an increase of $1,228,166 . This is largely attributable to the increases in water and sewer sale revenues. This year's operating income was $2,743,933. This increase of $1,112,460 from last year's operating income is attributable to growth in the customer base as well as the additional revenue received from rate increases.

General Fund Budgetary Highlights. In FY2018, the General Fund expenditure budget was increased by $3,653,078 over the 2017 budget. Each year the City performs a mid-year review of the budget. If the City Manager determines that funds are available certain amendments are proposed to the City Council for their review and approval. Expenditures were amended throughout the year with the majority occurring during mid-year reviews. These amendments increased General Fund appropriations by $1,375,614 or 3.18%.

In the General Fund, the actual revenue received in comparison to the final budget was over by $616,362. This positive variance is most noticeable in licenses and permits, intergovernmental revenue and miscellaneous income. General Fund expenditures had a final budget to actual positive variance of $2,409,759 prior to other financing sources/uses. This amount is attributable to intentional savings made by all departments, incomplete or postponed projects and personnel savings due to turnover and unfilled vacancies.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to $264,928,363 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and construction in progress. The total increase in the City's investment in capital assets for the current year was 1.3%

Table 3
Capital Assets at Year-end
Net of Accumulated Depreciation (000's)

	Governmental Activities		Business-Type Activities		Total	
Asset	2018	2017	2018	2017	2018	2017
Land	$ 39,407	$ 38,113	$ 112	$ 112	$ 39,519	$ 38,225
Other non-depreciable assets	1,133	929	-	-	1,133	929
Buildings	35,751	37,282	3,065	3,195	38,816	40,477
Improvements	122,364	119,209	51,704	51,140	174,068	170,349
Machinery and equipment	6,927	7,479	936	877	7,863	8,356
Construction in progress	2,371	2,839	1,158	281	3,529	3,120
	$ 207,953	$ 205,851	$ 56,975	$ 55,605	$ 264,928	$ 261,456

Additional information on the City's capital assets can be found in the notes to the financial statements on pages 41-42.

Debt Administration. At the end of the current fiscal year, the City of Wylie had total bonded debt outstanding of $98,272,731 , all of which is backed by the full faith and credit of the City.

Table 4
Outstanding Debt at Year End (000's)

	Governmental Activities		Business-Type Activities		Total	
Type of Debt	2018	2017	2018	2017	2018	2017
General Obligation	$ 68,265	$ 72,830	$ 4,330	$ 4,945	$ 72,595	$ 77,775
Combination Tax & Revenue	8,945	1,165	7,175	7,175	16,120	8,340
Contractual Obligations	1,195	1,260	-	-	1,195	1,260
Unamortized premium (discount)	7,604	8,336	759	830	8,363	9,166
Total	$ 86,009	$ 83,591	$ 12,264	$ 12,950	$ 98,273	$ 96,541

Total bonded debt of the City increased $1,731,287 due to the net effect of scheduled debt service payments and the issuance of $8,500,000 Combination Tax & Revenue Certificates of Obligation, Series 2018.

The City continues to maintain favorable ratings from bond rating agencies. The current General Obligation, Combination Tax and Revenue Certificates of Obligation, and Revenue Bonds ratings are as follows.

	Moody's Investors Service	Standard & Poor's
General obligation bonds	Aa2	AA
Certificates of obligation	Aa2	AA
Revenue bonds	A1	A+

Additional information on the City's long-term debt can be found in the notes to the financial statements on pages 43-47.

Economic Factors and Next Year's Budgets and Rates

During FY2018, 543 building permits were issued. Fast paced growth continues to be the predominant characteristic of the City. After the slowdown in growth that reflected the then-current economic conditions, FY 2013 began to show signs of improvement. The growth rate has continued to be strong since FY2015 and, as rapid growth continues, the upward trend in property values remains evident. Freeze-adjusted taxable property values showed an increase of $482,690,675, or 12.78%, from FY2018 to FY2019. Our growth pattern is also projected to continue into FY2019. However, as is the City's pattern, fiscal conservatism continues to play a major role in the development of the FY2019 operating budget.

In FY2019, General Fund revenues and expenditures are budgeted to increase by 3.6% and 5.1% prior to other financing sources and transfers out, respectively, over FY2018 revenues and expenditures. This will provide a 32% estimated fund balance at FY2019 year-end, which exceeds the goal of 25%.

Utility Fund operating revenues are budgeted to increase by 10.3% from FY2018 revenues and operating expenses were projected to increase by 4.9% from FY2018.

The City had an updated study of water and sewer rates performed by an outside consultant in FY2017. The rates needed to fund current and future operating and infrastructure needs were identified. Also included in the study were estimated future water and sewer charges from North Texas Municipal Water District. Therefore, in the Utility Fund, water and sewer rates were adjusted for the 2019 budget year in accordance with this study.

During FY2006, voters authorized the City to issue $73,950,000 in bonds. $35,325,000 was issued in 2006 with the remaining $38,625,000 issued in 2008. The issuance of these bonds was expected to cause an increase in the I & S tax rate to cover the principal and interest payments on the additional debt. However, the total tax rate went unchanged from FY2009 through FY2012. FY2013 began the trend of a tax rate reduction and 2019 was the seventh consecutive year the Council has decreased the tax rate. The current reduction was $.055152 bringing the seven year rate reduction total to $.173052.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 300 Country Club Road, Wylie, Texas, 75098.

CITY OF WYLIE
GULF, COLORADO &
SANTA FE RAILWAY
1887
STATE OF TEXAS

BASIC FINANCIAL STATEMENTS

CITY OF WYLIE
GULF, COLORADO &
SANTA FE RAILWAY
1887
STATE OF TEXAS

CITY OF WYLIE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

EXHIBIT A-1

	Primary Government			
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Unit**
Cash and cash equivalents	$ 49,989,315	$ 19,711,633	$ 69,700,948	$ 1,462,636
Receivables (net of allowance for uncollectibles)	4,029,186	3,108,079	7,137,265	693,898
Inventories	173,603	120,316	293,919	7,899,110
Prepaid items	-	-	-	2,000
Restricted assets:				
Cash and cash equivalents	20,817	6,619,052	6,639,869	
Receivables	-	1,431,110	1,431,110	-
Capital assets (net of accumulated depreciation):				
Land	39,406,918	112,045	39,518,963	-
Other non-depreciable assets	1,133,167	-	1,133,167	-
Construction in progress	2,371,475	1,158,566	3,530,041	-
Buildings	35,750,806	3,065,020	38,815,826	-
Improvement other than buildings	122,363,867	51,703,777	174,067,644	-
Machinery and equipment	6,927,156	935,566	7,862,722	-
Total assets	262,166,310	87,965,164	350,131,474	10,057,644
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	3,367,014	149,886	3,516,900	-
Deferred outflows - pensions	5,032,971	505,832	5,538,803	100,578
Deferred outflows - OPEB	32,603	3,029	35,632	543
Total deferred outflows of resources	8,432,588	658,747	9,091,335	101,121
LIABILITIES				
Accounts payable and other current liabilities	2,137,060	1,129,608	3,266,668	208,623
Accrued interest payable	418,948	54,138	473,086	3,992
Due to other governments	101,118	-	101,118	-
Liabilities payable from restricted assets	-	354,185	354,185	-
Unearned revenue	1,051,024	-	1,051,024	120,000
Non current liabilities:				
Due within one year	7,072,464	795,813	7,868,277	442,289
Due in more than one year	92,808,066	12,780,169	105,588,235	3,157,303
Total liabilities	103,588,680	15,113,913	118,702,593	3,932,207
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pensions	1,509,541	131,125	1,640,666	30,407
Total deferred inflows of resources	1,509,541	131,125	1,640,666	30,407
NET POSITION				
Net investment in capital assets	139,434,589	51,965,084	191,399,673	-
Restricted for:				
Debt service	955,332	-	955,332	-
Capital projects	-	8,327,382	8,327,382	-
Economic development	2,902,277	-	2,902,277	-
Tourism	323,479	-	323,479	-
Other	113,338	-	113,338	-
Unrestricted	21,771,662	13,086,407	34,858,069	6,196,151
Total net position	$ 165,500,677	$ 73,378,873	$ 238,879,550	$ 6,196,151

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF WYLIE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	$ 10,540,621	$ 2,924,232	$ -	$ -
Public safety	20,843,027	1,950,380	273,022	129,387
Urban development	1,354,808	1,443,985	-	-
Streets	8,832,924	-	-	916,248
Community service	9,561,750	394,997	73,422	10,763,965
Interest on long-term debt	2,659,653	-	-	-
Total governmental activities	53,792,783	6,713,594	346,444	11,809,600
Business-type activities:				
Utility	17,157,737	19,431,713	-	3,646,800
Total business-type activities	17,157,737	19,431,713	-	3,646,800
Total primary government	$ 70,950,520	$ 26,145,307	$ 346,444	$ 15,456,400
Component unit:				
Wylie Economic Development Corp	$ 2,084,110	$ -	$ -	$ -
Total component units	$ 2,084,110	$ -	$ -	$ -

General revenues:	
Ad valorem taxes	
Sales taxes	
Franchise taxes	
Unrestricted investment earnings	
Miscellaneous income	
Gain on disposal of assets	
Transfers	
Total general revenues and transfers	
Change in net position	
Net position - Beginning of year	
Cumulative effect of change in accounting principle	
Net position - Ending	

The accompanying notes to the basic financial statements are an integral part of this statement.

EXHIBIT A-2

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Component Unit
$ (7,616,389)	$ -	$ (7,616,389)	$ -
(18,490,238)	-	(18,490,238)	-
89,177	-	89,177	-
(7,916,676)	-	(7,916,676)	-
1,670,634	-	1,670,634	-
(2,659,653)	-	(2,659,653)	-
(34,923,145)	-	(34,923,145)	-
-	5,920,776	5,920,776	-
-	5,920,776	5,920,776	-
$ (34,923,145)	$ 5,920,776	$ (29,002,369)	$ -
$ -	$ -	$ -	$ (2,084,110)
$ -	$ -	$ -	$ (2,084,110)
31,459,533	-	31,459,533	-
7,859,294	-	7,859,294	2,562,759
2,749,138	-	2,749,138	-
312,765	212,774	525,539	7,025
356,159	129,963	486,122	177,343
22,460	-	22,460	256,452
2,166,807	(2,166,807)	-	-
44,926,156	(1,824,070)	43,102,086	3,003,579
10,003,011	4,096,706	14,099,717	919,469
155,815,172	69,311,659	225,126,831	5,281,975
(317,506)	(29,492)	(346,998)	(5,293)
$ 165,500,677	$ 73,378,873	$ 238,879,550	$ 6,196,151

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF WYLIE, TEXAS
BALANCE SHEET-GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	General Fund	General Obligation Debt Service
ASSETS		
Cash and cash equivalents	$ 18,002,408	$ 1,085,095
Receivables (net of allowance for uncollectibles):		
Ad valorem taxes	193,087	78,399
Franchise taxes	1,240,900	-
Sales taxes	979,793	-
Accounts	396,703	-
Other	611,466	-
Inventories, at cost	173,603	-
Total assets	$ 21,597,960	$ 1,163,494
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES:		
Accounts payable	$ 1,387,822	$ -
Other payables and accruals	513,519	-
Due to other governments	101,118	-
Unearned revenue	-	-
Total liabilities	2,002,459	-
DEFERRED INFLOWS OF RESOURCES:		
Unavailable resources	1,454,542	68,076
Total deferred inflows of resources	1,454,542	68,076
FUND BALANCES:		
Nonspendable		
Inventory	173,603	-
Restricted		
Debt service	-	1,095,418
Capital projects	-	-
Economic development	-	-
Municipal court	-	-
Tourism	-	-
Law enforcement	29,381	-
Committed		
Park acquisition and improvement	-	-
Fire training	-	-
Fire development	-	-
Public arts	354,354	-
Assigned		
Law enforcement	20,811	-
Streets	60,657	-
Fire Station No. 2 renovation	1,300,000	-
Unassigned	16,202,153	-
Total fund balances	18,140,959	1,095,418
Total liabilities, deferred inflows of resources, and fund balances	$ 21,597,960	$ 1,163,494

The accompanying notes to the basic financial statements are an integral part of this statement.

EXHIBIT A-3

Capital Projects Fund	Non major Governmental Funds	Total Governmental Funds
$ 24,651,465	$ 6,271,164	$ 50,010,132
-	-	271,486
-	-	1,240,900
-	483,898	1,463,691
-	-	396,703
-	44,940	656,406
-	-	173,603
$ 24,651,465	$ 6,800,002	$ 54,212,921
$ 40,208	$ 148,958	$ 1,576,988
-	46,553	560,072
-	-	101,118
1,051,024	-	1,051,024
1,091,232	195,511	3,289,202
-	-	1,522,618
-	-	1,522,618
-	-	173,603
-	210,786	1,306,204
23,560,233	-	23,560,233
-	2,902,277	2,902,277
-	83,003	83,003
-	323,479	323,479
-	954	30,335
-	509,759	509,759
-	202,277	202,277
-	2,371,956	2,371,956
-	-	354,354
-	-	20,811
-	-	60,657
-	-	1,300,000
-	-	16,202,153
23,560,233	6,604,491	49,401,101
$ 24,651,465	$ 6,800,002	$ 54,212,921

CITY OF WYLIE, TEXAS **EXHIBIT A-4**
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

Total fund balance-governmental funds balance sheet	$	49,401,101
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		207,953,389
Deferred losses on refunding are reported as deferred outflows of resources in the government-wide statement of net position.		3,367,014
Revenues earned but not available within sixty days of the fiscal year-end are not recognized as revenue in the fund financial statements.		1,522,618
Deferred outflows of resources ($5,032,971) related to the City's net pension liability result in an increase in net position in the government-wide financial statements while deferred inflows ($1,509,541) result in a decrease in net position.		3,523,430
Deferred outflows of resources related to the City's total OPEB liability result in an increase in net position in the government-wide financial statements.		32,603
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.		(418,948)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the fund financial statements.		(99,880,530)
NET POSITION OF GOVERNMENTAL ACTIVITIES - statement of net position	$	165,500,677

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF WYLIE, TEXAS **EXHIBIT A-5**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General Fund	General Obligation Debt Service	Capital Projects Fund	Non major Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	$ 23,413,647	$ 8,107,756	$ -	$ -	$ 31,521,403
Sales taxes	5,155,519	-	-	2,703,775	7,859,294
Franchise fees	2,740,472	-	-	-	2,740,472
Licenses and permits	1,128,764	-	916,248	73,103	2,118,115
Intergovernmental	1,301,157	-	-	51,989	1,353,146
Service fees	3,585,147	-	-	753,456	4,338,603
Court fees	466,087	-	-	20,893	486,980
Development fees	-	-	-	273,022	273,022
Interest income	145,173	15,431	115,362	36,799	312,765
Miscellaneous income	404,224	-	-	78,070	482,294
Total revenues	38,340,190	8,123,187	1,031,610	3,991,107	51,486,094
EXPENDITURES					
Current:					
General government	10,041,180	-	-	-	10,041,180
Public safety	19,404,348	-	-	15,887	19,420,235
Urban development	1,309,980	-	-	-	1,309,980
Streets	3,165,925	-	-	-	3,165,925
Community service	4,508,587	-	-	3,187,902	7,696,489
Capital outlay	-	-	674,969	-	674,969
Debt service:					
Principal	-	5,025,000	-	325,000	5,350,000
Interest and fiscal charges	-	2,936,112	-	67,150	3,003,262
Bond issuance costs	-		89,500	-	89,500
Total expenditures	38,430,020	7,961,112	764,469	3,595,939	50,751,540
Excess (Deficiency) of revenues under expenditures	(89,830)	162,075	267,141	395,168	734,554
OTHER FINANCING SOURCES (USES)					
Transfers in	2,184,957	-	3,795,553	392,150	6,372,660
Transfers out	(3,795,553)	-	-	(410,300)	(4,205,853)
Proceeds from sale of property	52,248	-	-	-	52,248
Issuance of long-term debt	-	-	8,500,000	-	8,500,000
Premium on bonds issued	-	-	106,250	-	106,250
Insurance recovery	8,458	-	-	3,235	11,693
Total other financing sources (uses)	(1,549,890)	-	12,401,803	(14,915)	10,836,998
Net change in fund balances	(1,639,720)	162,075	12,668,944	380,253	11,571,552
Fund balances October 1, 2017	19,780,679	933,343	10,891,289	6,224,238	37,829,549
Fund balances September 30, 2018	$ 18,140,959	$ 1,095,418	$ 23,560,233	$ 6,604,491	$ 49,401,101

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF WYLIE, TEXAS **EXHIBIT A-6**

RECONCILIATON OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Net change in fund balances- total governmental funds.	$	11,571,552
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		1,891,655
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(9,893,242)
Disposal of capital assets decreases net position in the government-wide financial statements and gets netted with the proceeds of the sale that is recorded at the fund level statements.		(28,581)
The repayment of the principal of long term debt consumes the current financial resources of governmental funds, but has no effect on net position. The amortization of bond premiums and deferred gain/loss on refunding of long term debt is reported in statement of activities but does not require the use of current financial resources. Therefore the effect of the amortization of these various items are not reported in the statement of revenues, expenses, and changes in fund balance. This amount represents the net effect of the following items: o Bonds issued ($8,500,000) o Premium on bonds issued ($106,250) o Repayments $5,564,698 o Amortization of premium on bonds, $838,486 o Amortization of deferred loss on refunding, ($394,705)		(2,597,771)
GASB 68 requires certain expenditures to be de-expended to account for the changes in pension liabilities and deferred inflows/outflows. There was a decrease in pension liabilities of $2,473,735, an increase in deferred inflows of ($1,365,122), and a decrease in deferred outflows of ($1,914,011).		(805,398)
GASB 75 requires certain expenditures to be de-expended to account for the changes in OPEB liabilities and deferred inflows/outflows. There was an increase in total OPEB liability of ($71,286), an increase in deferred outflows of $31,096.		(40,039)
Current year changes in accrued interest payable does not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		(10,673)
Current year changes in the long-term liability for compensated absences do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		(193,232)
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities, the fair market value of those assets is recognized as revenue, then allocated over the useful life of the assets and reported as depreciation expense.		10,132,706
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(23,966)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES - statement of activities	$	10,003,011

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF WYLIE
GULF, COLORADO &
SANTA FE RAILWAY
1887
STATE OF TEXAS

CITY OF WYLIE, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	Enterprise Fund
	Utility Fund
ASSETS	
Current assets	
Cash and cash equivalents	$ 19,711,633
Accounts receivables (net of allowances for uncollectibles)	2,833,093
Other receivables	274,986
Inventories, at cost	120,316
Restricted assets	
Cash and cash equivalents	6,619,052
Accounts receivable	1,431,110
Total current assets	30,990,190
Non-current assets	
Capital assets:	
Land	112,045
Buildings	3,889,427
Waterworks system	43,216,208
Sewer system	38,531,448
Machinery and equipment	2,186,704
Construction in progress	1,158,566
Accumulated depreciation	(32,119,424)
Total capital assets (net of accumulated depreciation)	56,974,974
Total non-current assets	56,974,974
Total assets	87,965,164
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding	149,886
Pensions	505,832
OPEB	3,029
Total deferred outflows of resources	658,747

The accompanying notes to the basic financial statements are an integral part of this statement.

EXHIBIT A-7

	Enterprise Fund
	Utility Fund
LIABILITIES	
Current liabilities:	
Accounts payable	$ 904,452
Retainage payable	
Other payables and accruals	184,758
Compensated absences payable - current	115,813
General obligation bonds payable - current	630,000
Combination bonds - tax and revenue - current	50,000
Accrued interest payable	54,138
Retainage payable	40,398
Payable from restricted assets	
Customer deposits	354,185
Total current liabilities	2,333,744
Non-current liabilities:	
General obligation bonds payable	3,700,000
Combination bonds - tax and revenue	7,883,936
Net pension liability	1,159,993
OPEB	36,240
Total noncurrent liabilities	12,780,169
Total liabilities	15,113,913
DEFERRED INFLOWS OF RESOURCES	
Pensions	131,125
Total deferred inflows of resources	131,125
NET POSITION	
Net investment in capital assets	51,965,084
Restricted for construction	8,327,382
Unrestricted	13,086,407
Total net position	$ 73,378,873

CITY OF WYLIE, TEXAS **EXHIBIT A-8**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Enterprise Fund
	Utility Fund
OPERATING REVENUES	
Water	$ 9,171,476
Sewer	9,929,418
Penalties	213,240
Water taps	58,988
Sewer taps	20,791
Reconnect fees	37,800
Total operating revenues	19,431,713
OPERATING EXPENSES	
Water purchases	5,178,291
Sewer treatment	5,004,045
Utility administration	315,996
Water department	1,789,371
Sewer department	653,753
Utility billing	485,396
Engineering	407,219
Combined services	318,849
Other	281,400
Depreciation and amortization	2,253,460
Total operating expenses	16,687,780
Operating income	2,743,933
NON-OPERATING REVENUES (EXPENSES)	
Investment revenue	212,774
Miscellaneous income	129,963
Interest expense	(469,957)
Total non-operating revenues (expenses)	(127,220)
Net income before transfers and contributions	2,616,713
TRANSFERS AND CONTRIBUTIONS	
Capital contributions	2,533,319
Impact fees	1,113,481
Transfers out	(2,166,807)
Total transfers and contributions	1,479,993
Change in net position	4,096,706
Net position, October 1	69,311,659
Cumulative effect of change in accounting principle	(29,492)
Net position, September 30	$ 73,378,873

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF WYLIE, TEXAS **EXHIBIT A-9**
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Enterprise Fund	
	Utility Fund	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$	19,405,744
Cash payments to employees for services		(1,636,086)
Cash payments to other suppliers for goods and services		(12,831,531)
Net cash provided by operating activities		4,938,127
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers to other funds		(2,166,807)
Net cash used in non-capital financing activities		(2,166,807)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal and interest paid		(1,099,707)
Acquisition or construction of capital assets		(1,138,923)
Water and sewer impact fee revenue		1,113,481
Net cash used in capital and related financing activities		(1,125,149)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends on investments		212,774
Net cash provided by investing activities		212,774
Net increase in cash and cash equivalents		1,858,945
Cash and cash equivalents at beginning of year		24,471,740
Cash and cash equivalents at end of year	$	26,330,685
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and cash equivalents	$	19,711,633
Restricted cash and cash equivalents		6,619,052
Total cash and cash equivalents	$	26,330,685
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$	2,743,933
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		2,253,460
Miscellaneous income		129,963
Pension and OPEB expense		(223,158)
Effects of changes in assets and liabilities:		
Decrease (increase) in receivables		(145,124)
Decrease (increase) in inventories		(50,741)
Decrease (increase) in restricted receivables		172,051
Decrease (increase) in deferred outflows for pensions and OPEB		184,542
Increase(decrease) in deferred inflows for pensions		117,146
Increase (decrease) in accounts payable		(274,200)
Increase (decrease) in other payables and other accruals		44,862
Increase (decrease) in compensated absences		(3,799)
Increase (decrease) in customer deposits		(10,808)
Total adjustments		2,194,194
Net cash provided by operating activities	$	4,938,127
NONCASH ITEMS		
Developer contributions of capital assets	$	2,533,319

The accompanying notes to the basic financial statements are an integral part of this statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Wylie (the City) was incorporated in 1887. The City operates under a Council-Manager form of government as a duly incorporated home rule city as authorized under the constitution of the State of Texas, and provides the following services: public safety (police and fire), streets, water, sewer and sanitation, public improvements, culture, planning and zoning, parks and recreation, and general administrative services.

The City reports in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide concise explanations, including required disclosures of budgetary matters, assets, liabilities, fund equity, revenues, expenditures/expenses, and other information considered important to gaining a clear picture of the City's financial activities for the fiscal year ended September 30, 2018.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GASB Statement No. 34, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component unit on the statement of net position and statement of activities. Significantly, the City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expenses on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City also presents Management's Discussion and Analysis, which includes an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund budget with actual results.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. In evaluating how to define the government for financial reporting purposes, management has considered all entities for which the City is considered to be financially accountable. The City is a home rule municipality governed by an elected Mayor and six-member City Council, who appoint a City Manager. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Financial Reporting Entity – Continued

Blended Component Unit

The Wylie Park and Recreation Facilities Development Corporation ("the 4B Corporation") is presented in the basic financial statements as a blended component unit of the City. The 4B Corporation's board is substantively the same as the City Council. All members of the 4B Corporation other than the board are City employees. The City Manager is the Chief Executive Operating Officer of the 4B Corporation. The purpose of the 4B Corporation, which is financed with a voter-approved half-cent sales tax, is to promote economic development within the City through the construction of park and recreation facilities. The 4B Corporation has a September 30 year-end. The 4B Corporation's financial budget, treasury, and personnel functions are totally integrated with the City's (thus the City has operational responsibility for the 4B Corporation). All of the 4B Corporation's financial information is presented in the basic and combining financial statements along with the notes to these financial statements. The 4B Corporation does not issue separate financial statements.

Discretely Presented Component Unit

The Wylie Economic Development Corporation (WEDC) is a discretely presented component unit in the combined financial statements. The governing body of the WEDC is appointed by the City Council and the WEDC's operating budget is subject to approval of the City Council. The WEDC's board is not substantially the same as the City Council. The purpose of the WEDC, which is financed with a voter-approved half-cent City sales tax, is to aid, promote and further the economic development within the City. The WEDC is presented as a governmental fund type and has a September 30 year-end. Under a contract with the WEDC, the financial, budget, treasury and personnel functions of the WEDC are integrated with the City. All of WEDC's financial information is presented in the combined and combining financial statements along with the notes to these financial statements. There are no separately issued financial statements of the WEDC.

C. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. Additionally, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, Urban Development, etc.) or program are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or program. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the operational requirements of a particular function or program, or c) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are also reported as general revenues rather than as program revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Government-Wide and Fund Financial Statements – Continued

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, the general obligation debt service fund, and the capital projects fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The non-major funds are detailed in the combining section of the financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The government-wide and proprietary fund financial statements follow the accounting set forth by the Governmental Accounting Standards Board.

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The governmental fund financial statements follow the accounting set forth by the Governmental Accounting Standards Board.

Property taxes, franchise fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales taxes collected and held by the State and merchants at year-end on behalf of the City are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Accounting

The following major funds are used by the City:

1. Governmental Funds:

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of changes in financial position, rather than on net income determination. The following is a description of the major Governmental Funds of the City:

a. The **General Fund** is the operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

b. The **General Obligation Debt Service Fund** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general obligation long-term debt paid from taxes levied by the City.

c. The **Capital Projects Fund** is used to account for the acquisition or construction of capital facilities, except those being financed by proprietary funds.

In addition, the City reports the following non-major governmental funds.

a. **4B Sales Tax Revenue Fund** accounts for sales tax monies specifically designated for promoting economic development within the City by developing, implementing, providing and financing park and recreation projects.

b. **Parks Acquisition and Improvement Fund** accounts for the development and improvement of City parks.

c. **Fire Training Center Fund** accounts for First Responder fees specifically designated for the construction of the Fire Training Center.

d. **Fire Development Fees Fund** accounts for contributions specifically designated for use of the fire department.

e. **Municipal Court Technology Fund** accounts for court fines specifically designated for improvements in court technology.

f. **Municipal Court Building Security Fund** accounts for court fines specifically designated for additions/improvements to court security.

g. **Hotel Tax Fund** accounts for occupancy taxes charged to hotels.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

h. Federal Seizure Fund accounts the City's share of forfeiture proceeds at the federal level and is restricted for law enforcement additions/improvements only.

i. Judicial Efficiency Fund accounts court fines specifically restricted to improving the efficiency of the administration of justice.

j. Truancy Court Fund accounts for court fines designated for the efficiency of Juvenile Court truancy cases.

k. 4B Debt Service Funds account for the accumulation of resources to be used for the payment of principal and interest on the 4B Sales Tax Revenue Bonds – Series 1996 and 2005.

Governmental funds with legally adopted annual budgets include the General Fund, the General Obligation Debt Service Fund, two (2) 4B Debt Service Funds, and all special revenue funds.

2. Proprietary Funds:

Proprietary Funds are accounted for using an economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and changes in cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position.

The proprietary funds are financed and operated in a manner similar to private business enterprise. The costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The following is a description of the major proprietary fund of the City:

The Utility Fund is used to account for the operations of the water distribution system, wastewater pumping stations and collection systems. The City contracts with North Texas Municipal Water District for wastewater treatment.

E. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligation, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (B) secured by obligations that are described by (1), pledged with third party selected or approved by the City, and placed through a primary government securities dealer.

Investments maturing within one year of date of purchase are stated at cost or amortized cost, all other investments are stated at fair value which is based on quoted market prices.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. Inventories and Prepaid Items

Inventory is valued at cost (first-in, first-out). The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased. Reported inventories are equally offset by non-spendable fund balance, which indicates that they do not constitute "available, spendable resources" even though they are a component of fund balance. The City is not required to maintain a minimum level of inventory. Inventories in the Proprietary Funds consist of supplies and are recorded at the lower of cost or market.

Prepaid balances are for payments made by the City for which benefits extend beyond September 30, 2018, and the non-spendable fund balance has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

H. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

Customer deposits received for water and wastewater service are, by law, considered to be restricted assets. These balances are included in the Utility Fund.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $15,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

I. Capital Assets – Continued

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	20 - 30
Improvements other than buildings	20 - 50
Machinery and equipment	5 - 20

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A percentage of accrued sick leave is payable on a longevity basis at the time of termination. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Losses on refunding are deferred and amortized over the life of the new issuance or the existing debt using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

L. Pensions and Other Postemployment Benefits (OPEB)– Continued

Information regarding the City's Total Pension Liability and Total OPEB Liability is obtained from TMRS through reports prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

M. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting as deferred outflows:

Deferred Loss on Refunding – these deferred outflows result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Pensions/ OPEB – these deferred outflows result from pension/OPEB contributions after the measurement date (deferred and recognized in the following fiscal year) and/or differences between expected and actual economic experience.

Deferred inflows of resources represent the acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow or resources (revenue) until that time. The City reports certain deferred inflows related to pensions and OPEB on the government-wide statement of position and unavailable tax revenues at the fund level.

N. Fund Equity

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the City classifies governmental fund balances as follows:

Nonspendable fund balance – includes amounts that are not in a spendable form or are required to be maintained intact. (i.e. inventories, prepaid items)

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

N. Fund Equity – Continued

(i.e. debt service, capital projects, economic development, municipal court security, municipal court technology, tourism).

Committed fund balance – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority (City Council). Commitments may be changed or lifted only by the government taking the same formal action (resolution) that imposed the constraint originally. (i.e. park acquisition and improvement, recreation, fire training, fire development, public arts).

Assigned fund balance – comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City Council has authorized the City Manager as the official authorized to assign fund balance to a specific purpose as approved by the fund balance policy.

Unassigned fund balance – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Order of Expenditure of Funds – When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Minimum General Fund Unassigned Fund Balance – It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 25% of expenditures. The City considers a balance of less than 20% to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance falls below the goal or has a deficiency, the City will appropriate funds in future budgets to replenish the fund balance based on a time table deemed adequate by the City Council.

Net Position – In the statement of net position, the amount of net position restricted for other consists of the following as of September 30, 2018:

Municipal court	$ 83,003
Law enforcement	30,335
Total	$ 113,338

O. Subsequent Events

The City has evaluated all events or transactions that occurred after September 30, 2018 up through January 16, 2019, the date the financial statements were issued. During this period, there were no subsequent events requiring disclosure.

NOTE 2. CASH AND INVESTMENTS

At year end, the carrying amount of the City's deposits was $47,413,474 and the bank balance was $47,539,170 financial institution's City's safekeeping account at the Federal Reserve.

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Cash and investments as of September 30, 2018 consist of and are classified in the accompanying financial statements as follows:

Statement of net position:		
Primary Government		
Cash and cash equivalents	$	69,700,948
Restricted cash and cash equivalents		6,639,869
Total Primary Government		76,340,817
Component Unit		
Cash and cash equivalents		1,462,636
Total cash and investments	$	77,803,453
Cash on hand	$	41,344
Deposits with financial institution		47,413,474
Investments		30,348,635
Total cash and investments	$	77,803,453

The table below identifies the investment types that are authorized for the City by the Public Funds Investment Act. (Government Code Chapter 2256) The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury obligations	5 years	100%	None
U.S. Agency obligations	5 years	100%	None
Certificates of deposit	18 months	25%	None
Direct repurchase agreements	2 years	100%	None
Investment pools	90 days	None	None

Disclosures relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the weighted average maturity of its portfolio to less than three years.

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Disclosures relating to interest rate risk – Continued

As of September 30, 2018, the City had the following investments:

Investment Type	Amount	Weighted Average Maturity
TexPool	$ 14,905,784	28 Days
TexStar	15,442,851	30 Days
	$ 30,348,635	

Disclosures relating to credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End
TexPool	$ 14,905,784	N/A	AAA-m
TexStar	15,442,851	N/A	AAA-m
	$ 30,348,635		

Concentration of credit risk

The City's investment policy does not allow for an investment in any one issuer (other than investment pools) that is in excess of five percent of the fair value of the City's total investments.

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Custodial credit risk – Continued

The City requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the City's depository in the City's name and held by the depository's agent.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has no recurring fair value measurements.

As of September 30, 2018 the City deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

The City is a voluntary participant in TexPool. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule2A7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than the fair value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

TexStar is administered by First Southwest Asset Management, Inc. and JPMorgan Chase. Together these organizations bring to the TexStar program the powerful partnership of two leaders in financial services with a proven and noted track record in local government investment pool management. TexStar is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. TexStar uses amortized costs rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexStar is the same as the value of TexStar shares.

NOTE 3. PROPERTY TAXES

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and certain personal property located within the City. Appraised values are established by the Collin County Central Appraisal District at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value upon which the tax year 2017 levy was based was $ 3,358,476,497 . Taxes are due on October 1 and are delinquent after the following January 31.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The combined tax rate to finance general governmental services including the payment of principal and interest on long-term debt for the year ended September 30, 2018 was $0.781 per $100 of assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values.

The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

NOTE 4. RECEIVABLES

Year-end receivables balances for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities				Business-Type
Governmental Funds	General	General Obligation Debt Service	Non Major Governmental Funds	Total	Utility
Receivables					
Property taxes	$ 273,428	$ 113,418	$ -	$ 386,846	$ -
Franchise taxes	1,240,900	-	-	1,240,900	-
Sales taxes	979,793	-	483,898	1,463,691	-
Accounts	623,716	-	-	623,716	4,085,414
Other	657,375	-	44,940	702,315	274,986
Gross receivables	3,775,212	113,418	528,838	4,417,468	4,360,400
Less: allowance	(353,263)	(35,019)	-	(388,282)	(1,252,321)
Net total receivables	$ 3,421,949	$ 78,399	$ 528,838	$ 4,029,186	$ 3,108,079

The Enterprise Fund accounts receivable balance includes unbilled charges for services rendered of $1,344,768 at September 30, 2018.

Receivables in the discretely presented component unit consist of $483,898 of sales taxes receivable due from the State and $210,000 in loans receivable from private businesses. If certain contractual obligations are met by some of these private businesses at a future date, a portion and/or all of the amounts owed from the private businesses may be forgiven.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 38,112,914	$ 1,294,004	$ -	$ -	$ 39,406,918
Other non-depreciable assets	928,981	-	-	204,186	1,133,167
Construction in progress	2,839,190	788,825	-	(1,256,540)	2,371,475
Total capital assets, not being depreciated	41,881,085	2,082,829	-	(1,052,354)	42,911,560
Capital assets being depreciated:					
Buildings	49,285,115	47,297	-	-	49,332,412
Improvements other than buildings	196,109,040	9,028,887	-	1,052,354	206,190,281
Machinery and equipment	14,850,629	865,348	(218,991)	-	15,496,986
Total capital assets being depreciated	260,244,784	9,941,532	(218,991)	1,052,354	271,019,679
Less accumulated depreciation for:					
Buildings	(12,002,658)	(1,578,948)	-	-	(13,581,606)
Improvements other than buildings	(76,900,056)	(6,926,358)	-	-	(83,826,414)
Machinery and equipment	(7,372,304)	(1,387,936)	190,410	-	(8,569,830)
Total accumulated depreciation	(96,275,018)	(9,893,242)	190,410	-	(105,977,850)
Total capital assets being depreciated, net	163,969,766	48,290	(28,581)	1,052,354	165,041,829
Governmental activities capital assets, net	$ 205,850,851	$ 2,131,119	$ (28,581)	$ -	$ 207,953,389

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	$ 112,045	$ -	$ -	$ -	$ 112,045
Construction in progress	281,425	877,141	-	-	1,158,566
Total capital assets, not being depreciated	393,470	877,141	-	-	1,270,611
Capital assets being depreciated:					
Buildings	3,889,427	-	-	-	3,889,427
Water system	42,848,473	367,735	-	-	43,216,208
Sewer system	36,365,864	2,165,584	-	-	38,531,448
Machinery and equipment	1,996,908	261,781	(71,985)	-	2,186,704
Total capital assets being depreciated	85,100,672	2,795,100	(71,985)	-	87,823,787
Less accumulated depreciation for:					
Buildings	(694,760)	(129,647)	-	-	(824,407)
Water system	(14,235,073)	(1,050,616)	-	-	(15,285,689)
Sewer system	(13,839,216)	(918,974)	-	-	(14,758,190)
Machinery and equipment	(1,120,186)	(202,137)	71,185	-	(1,251,138)
Total accumulated depreciation	(29,889,235)	(2,301,374)	71,185	-	(32,119,424)
Total capital assets being depreciated, net	55,211,437	493,726	(800)	-	55,704,363
Business-type activities capital assets, net	$ 55,604,907	$ 1,370,867	$ (800)	$ -	$ 56,974,974

NOTE 5. CAPITAL ASSETS – CONTINUED

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	$ 1,241,670
Public safety	1,231,846
Streets	5,619,345
Community service	1,800,381
Total depreciation expense - governmental activities	$ 9,893,242
Business-type activities:	
Water and Sewer	$ 2,301,374

Construction Commitments

The City has active construction projects as of September 30, 2018. The projects include construction, park improvements, and drainage improvements.

Commitments for construction in progress are composed of the following:

Project	Funding Source	Project Budget Appropriation	Spent-to-date	Remaining Commitment
Water Meter Replacements	(A)	$ 5,250,000	$ -	$ 5,250,000
Nortex Ground Storage Tank	(A)	1,962,000	422,444	1,539,556
Public Safety Building Renovation	(B)	13,715,000	142,146	13,572,854
Total		$ 20,927,000	$ 564,590	$ 20,362,410

(A) Funded by Tax and Revenue Certificates of Obligation
(B) Funded by Tax & Revenue Certificates of Obligation and General Fund Fund Balance

NOTE 6. TRANSFERS AND INTERFUND RECEIVABLES AND PAYABLES

Transfers are used to provide funds for debt service, contributions for capital construction, cost allocations and other operational costs as determined by the City's annual budget. Transfers between funds during the year were as follows:

Transfer In	Transfer Out	Amount	Purpose
General Fund	Utility Fund	$ 2,166,807	From Utility Fund to cover indirect costs associated with Utility Fund operations
Nonmajor governmental funds	Nonmajor governmental funds	392,150	To 4B Debt Service Fund to cover annual debt service payments
General Fund	Nonmajor governmental funds	18,150	To Public Arts Fund to supplement costs associated with annual arts festivals
Capital Projects Fund	General Fund	3,795,553	To PSB Renovation / Expansion Fund to supplement costs associated with the public safety building renovation project
	Total	$ 6,372,660	

NOTE 7. UNEARNED REVENUE/DEFERRED INFLOWS OF RESOURCES

Governmental funds report *deferred inflows of resources* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). At the end of the current fiscal year, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds were as follows:

	General Fund	General Obligation Debt Service	Capital Projects Fund	Total
Deferred inflows of resources:				
Property taxes	$ 169,569	$ 68,076	$ -	$ 237,645
Court fines	250,177	-	-	250,177
Franchise fees	1,034,796	-	-	1,034,796
Total	$ 1,454,542	$ 68,076	$ -	$ 1,522,618
Unearned revenue:				
Advance construction payment	$ -	$ -	$ 1,051,024	$ 1,051,024
Total	$ -	$ -	$ 1,051,024	$ 1,051,024

NOTE 8. LONG-TERM DEBT

General Obligation Bonds, Certificates of Obligation and Contractual Obligations

The City of Wylie issues general obligation bonds, certificates of obligation bonds, and contractual obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. These issues are direct obligations and pledge the full faith and credit of the City.

General Obligation Bonds	Final Maturity	Interest Rates	Governmental	Business-Type
$4,815,000 Series 2007 Improvements and Refunding	2020	4.75 - 5.25%	$ 550,000	$ -
$10,160,000 Series 2010 Refunding	2028	2.00 - 4.00%	6,850,000	530,000
$7,005,000 Series 2012 Refunding	2029	2.00 - 3.25%	6,620,000	-
$7,400,000 Series 2013 Refunding	2029	1.50 - 3.00%	5,300,000	-
$21,240,000 Series 2015 Refunding	2027	2.00 - 5.00%	18,835,000	-
$34,250,000 Series 2016 Refunding	2028	2.00 - 5.00%	30,110,000	3,800,000
Total General Obligation Bonds			$ 68,265,000	$ 4,330,000

NOTE 8. LONG-TERM DEBT – CONTINUED

General Obligation Bonds, Certificates of Obligation and Contractual Obligations - Continued

Combination Tax and Revenue Bonds	Final Maturity	Interest Rates	Governmental	Business-Type
$525,000 Series 2010 Improvements	2025	2.00 - 4.00%	$ 445,000	$ -
$7,175,000 Series 2017 Improvements	2025	2.00 - 4.00%	-	7,175,000
$8,500,000 Series 2018 Improvements	2038	1.75 - 3.375%	8,500,000	-
Total Combination Tax and Revenue Bonds			$ 8,945,000	$ 7,175,000

Contractual Obligations	Final Maturity	Interest Rates	Governmental	Business-Type
$1,565,000 Series 2012 Improvements	2032	2.00 - 3.25%	$ 1,195,000	$ -
Total Contractual Obligations			$ 1,195,000	$ -

Changes in Long-term Liabilities:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2018, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Governmental activities:					
General obligation bonds	$ 72,830,000	$ -	$ (4,565,000)	$ 68,265,000	$5,365,000
Combination tax and revenue bonds	1,165,000	8,500,000	(720,000)	8,945,000	220,000
Contractual obligations	1,260,000	-	(65,000)	1,195,000	70,000
Unamortized bond premium (discount)	8,336,031	106,250	(838,486)	7,603,795	-
Total bonds payable	83,591,031	8,606,250	(6,188,486)	86,008,795	5,655,000
Capital leases	892,734	-	(214,698)	678,036	220,258
Compensated absences	2,022,057	1,526,580	(1,333,348)	2,215,289	1,197,206
OPEB liability	318,862	71,286	-	390,148	-
Net pension liability	13,061,997	-	(2,473,735)	10,588,262	-
Total governmental activities	$ 99,886,681	$ 10,204,116	$(10,210,267)	$ 99,880,530	$7,072,464

NOTE 8. LONG-TERM DEBT – CONTINUED

Changes in Long-term Liabilities - continued

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Business-type activities:					
General obligation bonds	$ 4,945,000	$ -	$ (615,000)	$ 4,330,000	$ 630,000
Combination tax and revenue bonds	7,175,000	-	-	7,175,000	50,000
Unamortized bond premium (discount)	830,411	-	(71,475)	758,936	-
Total bonds payable	12,950,411	-	(686,475)	12,263,936	680,000
Compensated absences	119,612	165,110	(168,909)	115,813	115,813
OPEB liability	29,618	6,622	-	36,240	-
Net pension liability	1,389,773	-	(229,780)	1,159,993	-
Total business-type activities	$ 14,489,414	$ 171,732	$ (1,085,164)	$ 13,575,982	$ 795,813

The annual aggregate maturities for each bond type are as follows:

General Obligation Bonds

Fiscal Year Ending September 30,	Governmental Activities			Business Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	$ 5,365,000	$ 2,755,376	$ 8,120,376	$ 630,000	$ 180,338	$ 810,338
2020	5,670,000	2,559,707	8,229,707	550,000	156,138	706,138
2021	5,980,000	2,337,588	8,317,588	420,000	134,038	554,038
2022	6,205,000	2,125,650	8,330,650	435,000	119,319	554,319
2023	6,490,000	1,887,069	8,377,069	415,000	104,375	519,375
2024 - 2028	36,830,000	4,555,832	41,385,832	1,880,000	193,750	2,073,750
2029 - 2032	1,725,000	28,031	1,753,031	-	-	-
Total	$ 68,265,000	$ 16,249,253	$ 84,514,253	$ 4,330,000	$ 887,958	$ 5,217,958

Combination Tax and Revenue Bonds

Fiscal Year Ending September 30,	Governmental Activities			Business Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	$ 220,000	$ 381,835	$ 601,835	$ 50,000	$ 240,019	$ 290,019
2020	315,000	295,406	610,406	100,000	238,519	338,519
2021	325,000	284,219	609,219	310,000	234,419	544,419
2022	430,000	271,181	701,181	320,000	228,119	548,119
2023	440,000	256,056	696,056	330,000	218,319	548,319
2024 - 2028	2,125,000	1,019,993	3,144,993	1,805,000	882,494	2,687,494
2029 - 2033	2,310,000	645,646	2,955,646	2,175,000	520,431	2,695,431
2034 - 2038	2,780,000	240,325	3,020,325	2,085,000	143,102	2,228,102
Total	$ 8,945,000	$ 3,394,661	$ 12,339,661	$ 7,175,000	$ 2,705,422	$ 9,880,422

Contractual Obligations

Fiscal Year Ending September 30,	Governmental Activities			Business Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	$ 70,000	$ 36,075	$ 106,075	$ -	$ -	$ -
2020	70,000	33,975	103,975	-	-	-
2021	75,000	31,800	106,800	-	-	-
2022	75,000	29,550	104,550	-	-	-
2023	80,000	27,125	107,125	-	-	-
2024-2028	430,000	95,001	525,001	-	-	-
2029-2032	395,000	24,225	419,225	-	-	-
Total	$ 1,195,000	$ 277,751	$ 1,472,751	$ -	$ -	$ -

NOTE 8. LONG-TERM DEBT – CONTINUED

Capital Leases

Fiscal Year Ending September 30,	Governmental Activities			Business Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	$ 220,258	$ 17,561	$ 237,819	$ -	$ -	$ -
2020	225,963	11,856	237,819	-	-	-
2021	231,815	6,004	237,819	-	-	-
Total	$ 678,036	$ 35,421	$ 713,457	$ -	$ -	$ -

During the year ended September 30, 2018, the City issued $8,500,000 Combination Tax & Revenue Certificates of Obligation, Series 2018. Proceeds from the sale of the Certificates will be used for construction, improvement, expansion and equipping the City's public safety building and to pay the costs associated with the issuance of the Certificates.

Compensated Absences

Compensated absences represent the estimated liability for employees' accrued sick and vacation leave for which employees are entitled to be paid upon termination. The retirement of this liability is typically paid from the General Fund and Enterprise Funds based on the assignment of an employee at termination.

Net Pension Liability/ OPEB liability

The general fund has typically been used to liquidate governmental activities' pension and OPEB liabilities.

Discretely Presented Component Unit – Wylie Economic Development Corporation (WEDC)

The following is a summary of WEDC long-term transactions for the year ended September 30, 2018:

Description	Balance 9/30/2017	Increases	Decreases	Balance 9/30/2018	Due Within One Year
Loans payable	$ 4,262,510	$ -	$ (935,963)	$ 3,326,547	$ 428,052
Compensated Absences	90,880	19,142	(14,591)	95,431	14,237
OPEB liability	5,318	1,188	-	6,506	-
Net pension liability	212,363	-	(41,255)	171,108	-
Total long-term liabilities	$ 4,571,071	$ 20,330	$ (991,809)	$ 3,599,592	$ 442,289

NOTE 8. LONG-TERM DEBT – CONTINUED

Discretely Presented Component Unit – Wylie Economic Development Corporation (WEDC) – Continued

WEDC Loans Payable as of September 30, 2018 are as follows:

Description	Balance
$400,000, payable to bank, made August 2014, payable in monthly installments of $7,332 through August 22, 2019, including interest at 3.77%.	$ 79,152
$967,000, payable to bank, made August 2014, payable in monthly installments of $13,268 through final payment of $31,407 on March 15, 2021, including interest at 2.61%.	401,726
$722,365, payable to bank, made December 2014, payable in monthly installments of $7,382.45 through final payment of $404,868 on December 10, 2019, including interest at	486,232
$387,317, payable to bank, made September 2015, payable in monthly installments of $8,745, including interest at 4.00%, through final payment on September 2, 2019.	102,704
$2,000,000, payable to bank, made November 2016, payable in monthly installments for the interest of $6,667 through November 2019 and then principal and interest payments of $20,249 through final payment in November 2021.	2,000,000
$300,000, payable to bank, made September 2016, payable in monthly installments of $3,109, including interest at 4.50%, through final payment in December 2026.	256,733
	$ 3,326,547

Annual debt service requirements to maturity for WEDC debt is:

Year	Principal	Interest	Total
2019	$ 428,052	$ 127,738	$ 555,790
2020	735,467	98,165	833,632
2021	296,252	81,793	378,045
2022	1,722,707	18,644	1,741,351
2023	31,470	5,840	37,310
2024-2027	112,599	8,646	121,245
Total	$ 3,326,547	$ 340,826	$ 3,667,373

NOTE 9. PENSION PLAN

A. Plan Description

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

NOTE 9. PENSION PLAN – CONTINUED

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and city matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	95
Inactive employees entitled to but not yet receiving benefits	152
Active employees	313
	560

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

NOTE 9. PENSION PLAN – CONTINUED

C. Contributions - Continued

Employees for the City were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.08% and 14.98% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018 (including $47,451 of contributions by WEDC) were $3,157,004, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender distinct RP2000 Combined Healthy Mortality Table, which male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2017, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

NOTE 9. PENSION PLAN – CONTINUED

D. Net Pension Liability – Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time(conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2016, the TMRS Board approved a new portfolio target allocation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	4.15%
Real Return	10.0%	4.15%
Real Estate	10.0%	4.75%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Allocations

The City's net pension liability, pension expense, and deferred outflows of resources related to TMRS have been allocated between governmental activities, business-type activities, and the discretely presented component unit using a contribution-based method.

NOTE 9. PENSION PLAN - CONTINUED

D. Net Pension Liability – Continued

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/16	$ 62,561,432	$ 47,897,299	$ 14,664,133
Changes for the year:			
Service Cost	3,534,169	-	3,534,169
Interest	4,298,623	-	4,298,623
Change of benefit terms	-	-	-
Difference between expected and actual experience	404,285	-	404,285
Changes of assumptions	-	-	-
Contributions - employer	-	2,978,969	(2,978,969)
Contributions - employee	-	1,392,972	(1,392,972)
Net investment income	-	6,646,053	(6,646,053)
Benefit payments, including refunds of employee contributions	(1,290,431)	(1,290,431)	-
Administrative expense	-	(34,403)	34,403
Other changes	-	(1,744)	1,744
Net Changes	6,946,646	9,691,416	(2,744,770)
Balance at 12/31/17	$ 69,508,078	$ 57,588,715	$ 11,919,363

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City	$ 23,612,052	$ 11,748,255	$ 2,205,897
WEDC	343,899	171,108	32,128
Total	$ 23,955,951	$ 11,919,363	$ 2,238,025

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at www.tmrs.com.

NOTE 9. PENSION PLAN – CONTINUED

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2018, the City recognized pension expense of $893,641 (including $13,432 recognized by WEDC). At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City		WEDC		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	3,173,234		$ 54,762		$ 3,227,996	$ -
Changes in actuarial assumptions		115,963		$ 1,993	-	117,956
Difference between projected and actual investment earnings		1,524,703		28,414	-	1,553,117
Contributions subsequent to the measurement date	2,365,569		45,816		2,411,385	-
Total	$ 5,538,803	$1,640,666	$100,578	$ 30,407	$ 5,639,381	$1,671,073

The $2,411,385 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will reduce the net pension liability during the year ending September 30, 2019. The other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended Sept. 30:	City	WEDC	Total
2019	$ 761,723	$ 12,110	$ 773,833
2020	672,747	10,696	683,443
2021	109,699	1,737	111,436
2022	(66,493)	(1,061)	(67,554)
2023	54,892	873	55,765
Total	$ 1,532,568	$ 24,355	$ 1,556,923

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

Texas Municipal Retirement System (“TMRS”) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (“SDBF”). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN – CONTINUED

B. Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of $7,500.

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	21
Active employees	313
	382

C. Contributions

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the City was 0.01% in both calendar years 2017 and 2018. The City's contributions to the SDBF for the year ended September 30, 2018 (including $31 of contributions by WEDC) were $2,084, and were equal to the required contributions.

D. Total OPEB Liability

The City's Total OPEB Liability (TOL) was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN – CONTINUED

E. Actuarial Assumptions

The Total OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 10.5% including inflation
Discount rate	3.31%
Retiree's share of benefit-related costs	0.00%

Salary increases were based on a service-related table. Mortality rates for service retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. Mortality rates for disabled retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2017, valuation were developed primarily from an actuarial experience study of the four-year period from December 31, 2010 through December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the Entry Age Normal Actuarial Cost Method.

The discount rate used to measure the Total OPEB Liability was 3.31% and was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN – CONTINUED

F. Changes in Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2016	$ 353,798
Changes for the year:	
Service Cost	27,859
Interest on Total OPEB Liability	13,862
Change of benefit terms	-
Difference between expected and actual exoerience	-
Changes of assumptions or other inputs	39,365
Benefit payments	(1,990)
Administrative expense	-
Other changes	-
Net changes	79,096
Balance at 12/31/17	$ 432,894

G. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.31%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.31%) or 1 percentage-point higher (4.31%) than the current rate:

	1% Decrease in Discount Rate (2.31%)	Discount Rate (3.31%)	1% Increase in Discount Rate (4.31%)
City	$ 526,876	$ 426,388	$ 349,231
WEDC	8,039	6,506	5,329
Total OPEB Liability	$ 534,915	$ 432,894	$ 354,560

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized pension expense of $46,510. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN - CONTINUED

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

	City		WEDC		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions and other inputs	$ 34,057	$ -	$ 519	$ -	$ 34,576	$ -
Contributions subsequent to the measurement date	1,575	-	24		1,599	-
Total	$ 35,632	$ -	$ 543	$ -	$ 36,175	$ -

The $1,599 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will reduce the Total OPEB liability during the year ending September 30, 2019. The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended Sept. 30:	City	WEDC	Total
2019	$ 4,714	$ 75	$ 4,789
2020	4,714	75	4,789
2021	4,714	75	4,789
2022	4,714	75	4,789
2023	4,714	75	4,789
Thereafter	10,487	144	10,631
Total	$ 34,057	$ 519	$ 34,576

NOTE 11. NORTH TEXAS MUNCIPAL WATER DISTRICT

The North Texas Municipal Water District (the District) is a conservation and reclamation district and political subdivision of the State of Texas, created and functioning under Chapter 62, Acts of 1951, 52nd Legislature, Regular Session, as amended, originally complied as Vernon's Article 8270-141 (the Act), pursuant to Article 16, Section 59 of the Texas Constitution. The District comprises all of the territory of its member cities, viz., Allen, Garland, Princeton, Plano, Mesquite, Wylie, Rockwall, Farmersville, McKinney, Richardson, Forney and Royse City (the "Member Cities"). The District was created for the purpose of providing a source of water supply for municipal, domestic and industrial use and for the treatment processing and transportation of such water to its Member Cities and to its other customers located in North Central Texas, all within the Dallas Standard Metropolitan Statistical Area.

NOTE 11. NORTH TEXAS MUNCIPAL WATER DISTRICT – CONTINUED

Under the Act, including specifically Section 27 thereof, and under the Constitution and Statues of the State of Texas, the District has broad powers to (1) impound, control, store, preserve, treat, transmit, and use storm and flood water, the water of rivers and streams and underground water, for irrigation, power and all other useful purposes and to supply water for municipal, domestic, power, industrial and commercial uses and purposes and all other beneficial uses and purposes; and (2) collect, transport, process, treat, dispose of, and control all municipal, domestic, industrial or commercial waste whether in fluid, solid or composite state, including specifically the control, abatement or reduction of all types of pollution. The City retains no ongoing financial interest equity investments and/or responsibilities for the District other than the contractual arrangements discussed more fully herein.

NOTE 12. MUDDY CREEK REGIONAL WASTEWATER SYSTEM

In May 1999, the Cities of Wylie and Murphy in Collin County entered into a contract with the District to provide for the acquisition, construction, improvement, operation, and maintenance of the Regional Muddy Creek Wastewater System (System) for the purpose of providing facilities to adequately receive, transport, treat, and dispose of wastewater. The District will own the System with Wylie and Murphy as the initial participants. The District will issue approximately $20 million in bonds to construct this new facility. Budget calculations for operating costs and debt service for the System on the service commencement date is based on the following estimated flow ratio: City of Wylie – 2/3 and Murphy – 1/3. “Service Commencement Date” means the first date upon which the System is available to treat wastewater from the participants. Wylie’s long-term commitment to the System’s debt service component is approximately $13.3 million.

The District will send each participant a letter detailing the annual requirement necessary to operate the System each year. The annual requirement budget will include an operation and maintenance component and a bond service component. The budgeting ratio described earlier is only valid for the first year of System operations. In subsequent years, budgets and year-end audits will be based on actual flow ratios. For example, if the flow measurements indicate that 60% of the flow is produced by Wylie and 40% by Murphy, then the next year’s operating and debt service components would be allocated using a 60/40 split. If in the future, additional participants are added, then the flow ratios will be adjusted using the above method.

The contract with the District has a clause for “Credit for Payments Relating to the System.” This clause states: “Each participant shall be entitled to a credit in an amount equal to any funds advanced by such Participant with the approval of the District for land, engineering, construction or other costs related to the System and/or the financing thereof”. All credits for advance made prior to the Service Commencement Date shall bear interest from the date of such advance at a rate equal to the net effective interest rate on the initial issue of the bonds hereunder. The City of Wylie has four such credits at this time. All credits for advances made prior to the Service Commencement Date shall be amortized over a period of twenty years, with such amortization to commence on October 1 of the Fiscal Year following the Service Commencement Date. At September 30, 2005, the City recorded $3,188,849 as a restricted accounts receivable. This amount is being amortized over a twenty-year period commencing with fiscal year 2006. The amortization was $172,051 for 2018, leaving an unamortized balance of $1,431,110 as of September 30, 2018.

NOTE 13. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTE 13. CONTINGENT LIABILITIES – CONTINUED

The City periodically is a defendant in various lawsuits. At September 30, 2018, after consultation with the City's attorney, the City is not aware of any pending litigation.

As described in Note 8 above, the general revenues of the City are contingently liable for the $4,330,000 payable in General Obligation Bonds which are currently outstanding and recorded as obligations of the Enterprise Fund.

The City contracts for garbage disposal with a third party. Under the terms of the agreement the City bills and collects the residential billing and remits that amount to the contracting party. The contractor bills the commercial customers and remits a franchise fee to the City based on total revenues received from the contract.

The Wylie Economic Development Corporation provides monetary incentives to companies to relocate within the City of Wylie. At September 30, 2018, these commitments totaled approximately $528,000.

NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City purchases commercial insurance to indemnify it in event of loss. For the past three years, settlements did not exceed coverage.

NOTE 15. TAX ABATEMENTS

The City enters into economic development agreements authorized under Chapter 380 of the Texas Local Government Code and Chapter 312 of the Texas Tax Code. These agreements are planning tools designed to stimulate economic activity, redevelopment, community improvement, and provide a return on investment for the community. These programs abate or rebate property and/or sales taxes and may include other incentive payments such as fee reductions or construction costs reimbursements. Economic development agreements are considered on a case by case basis by the City Council and generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

Other Economic Agreements

Chapter 380 of the Texas Local Government Code allows the City to provide grants for the purpose of promoting local economic development. These grants are based on a percentage of property and/or sales tax received by the City. For the fiscal year ending September 30, 2018, the City rebated $557,181 in sales taxes.

NOTE 16. CONDENSED FINANCIAL INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNIT

Following is selected condensed financial statement information for the fund basis financial statements of the Wylie Economic Development Corporation:

Balance Sheet	WEDC
Assets	
Cash and equivalents	$ 1,462,636
Receivables	693,898
Inventory	7,899,110
Prepaids	2,000
Total Assets	$ 10,057,644
Liabilities	
Accounts payable	$ 201,641
Accrued liabilities	9,982
Unearned revenue	117,000
Total Liabilities	328,623
Fund Balance	9,729,021
Total Liabilities and Fund Balance	$ 10,057,644

Statement of Revenues, Expenditures and Changes in Fund Balance	WEDC
Revenues:	
Sales tax revenue	$ 2,562,759
Interest income	7,025
Gain on sale of inventory	256,452
Miscellaneous income	177,343
Total Revenues	3,003,579
Expenditures:	
Expenditures	3,002,276
Net change in fund balance	1,303
Fund balance 10/1/17	9,727,718
Fund balance 9/30/18	$ 9,729,021

NOTE 16. CONDENSED FINANCIAL INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNIT – CONTINUED

Following are reconciliations between the government-wide financial statements and the fund basis financial statements for WEDC:

Reconciliation of fund balance to net position:

Total fund balance	$	9,729,021
Deferred outflows - pensions ($100,578) and OPEB ($543)		101,121
Deferred inflows - pensions		(30,407)
Payables for compensated absences		(95,431)
Accrued interest payable		(3,992)
Payable for loan principal, net pension liability and OPEB liability		(3,504,161)
Net position	$	6,196,151

Reconciliation of change in fund balance to change in net position:

Change in fund balance	$	1,303
Change in payables for compensated absences		(4,551)
Change in accrued interest payable		856
Net effect of GASB 68 and 75 implementation		(14,102)
Payment of loan principal		935,963
Change in net position	$	919,469

NOTE 17. LAND ACQUISITION

The discrete component unit owns property with a carrying value of $7,899,110 as of September 30, 2018. This property is recorded as inventory and held as an incentive to attract businesses.

NOTE 18. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

As a result of the implementation of GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”, an adjustment has been made to record the City’s total OPEB liability as of October 1, 2017. As a result, beginning net position of the governmental activities has been decreased by $317,506, the beginning net position of the Enterprise Fund has been decreased by $29,492 and the beginning net position of the Component Unit has been decreased by $5,293.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WYLIE, TEXAS **EXHIBIT A-10**
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES				
Ad valorem taxes	$ 23,274,909	$ 23,274,909	$ 23,413,647	$ 138,738
Non-property taxes	5,691,949	5,691,949	5,155,519	(536,430)
Franchise fees	2,689,000	2,689,000	2,740,472	51,472
Licenses and permits	872,000	872,000	1,128,764	256,764
Intergovernmental	831,500	1,001,570	1,301,157	299,587
Services fees	3,397,000	3,397,000	3,585,147	188,147
Court fees	576,400	576,400	466,087	(110,313)
Interest income	41,500	41,500	145,173	103,673
Miscellaneous income	179,500	179,500	404,224	224,724
Total revenues	37,553,758	37,723,828	38,340,190	616,362
EXPENDITURES				
Current				
General government				
City council	82,847	82,847	63,468	19,379
City manager	916,900	968,969	949,481	19,488
City secretary	423,374	450,326	377,062	73,264
City attorney	155,000	155,000	138,541	16,459
Finance	1,213,477	1,248,601	1,160,624	87,977
Building and fleet maintenance	802,585	793,642	705,805	87,837
Municipal court	553,187	553,859	446,391	107,468
Human resources	563,895	579,803	565,030	14,773
Purchasing	169,008	177,206	168,802	8,404
Information technology	1,225,271	1,236,780	1,226,505	10,275
Combined services/general	5,200,085	4,715,042	4,239,471	475,571
Total general government	11,305,629	10,962,075	10,041,180	920,895
Public safety				
Police	9,169,555	9,320,292	9,224,549	95,743
Fire	8,294,025	8,569,190	8,063,894	505,296
Emergency communications	1,765,600	1,741,964	1,506,772	235,192
Animal control	620,575	647,612	609,133	38,479
Total public safety	19,849,755	20,279,058	19,404,348	874,710
Urban development				
Planning	612,880	598,624	582,048	16,576
Building inspection	560,474	541,303	529,899	11,404
Code enforcement	231,470	236,611	198,033	38,578
Total urban development	1,404,824	1,376,538	1,309,980	66,558
Streets				
Streets	3,200,268	3,457,104	3,165,925	291,179
Total streets	3,200,268	3,457,104	3,165,925	291,179

Community service				
Parks	2,640,570	2,680,828	2,494,029	186,799
Library	2,063,119	2,084,176	2,014,558	69,618
Total community service	4,703,689	4,765,004	4,508,587	256,417
Total expenditures	40,464,165	40,839,779	38,430,020	2,409,759
Excess (deficiency) of revenues over expenditures	(2,910,407)	(3,115,951)	(89,830)	3,026,121
OTHER FINANCING SOURCES (USES)				
Transfers in	2,184,957	2,184,957	2,184,957	-
Transfers out	(2,795,553)	(3,795,553)	(3,795,553)	-
Insurance recovery	-	-	8,458	8,458
Proceeds from sale of property	-	-	52,248	52,248
Total other financing sources (uses)	(610,596)	(1,610,596)	(1,549,890)	60,706
Net change in fund balances	(3,521,003)	(4,726,547)	(1,639,720)	3,086,827
Fund balances, October 1	19,780,679	19,780,679	19,780,679	-
Fund balances, September 30	$ 16,259,676	$ 15,054,132	$ 18,140,959	$ 3,086,827

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City follows the following procedures in establishing the budgetary date reflected in the financial statements:

1. Public hearings are conducted to obtain taxpayer comments.

2. Prior to October 1, the budget is legally enacted through passage of an ordinance.

3. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Therefore the fund level is the legal level of control.

4. Budgeted amounts are as originally adopted or as amended by the City Council. During 2018, individual amendments were not material in relation to the original appropriations. All budget appropriations automatically lapse at year-end.

5. Formal budgetary integration is employed as a management control device during the year. The legally adopted budget is adopted on a basis consistent with generally accepted accounting principles.

CITY OF WYLIE, TEXAS **EXHIBIT A-11**
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT YEARS
(UNAUDITED)

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017
Total pension liability:				
Service cost	$ 2,556,890	$ 2,884,478	$ -	$ 3,534,169
Interest	3,219,187	3,586,805	3,725,815	4,298,623
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	184,163	215,566	4,180,949	404,285
Change in assumptions	-	(245,250)	-	-
Benefit payments, including refunds of employee contributions	(745,575)	(999,126)	(1,085,194)	(1,290,431)
Net change in total pension liability	5,214,665	5,442,473	6,821,570	6,946,646
Total pension liability - beginning	45,082,724	50,297,389	55,739,862	62,561,432
Total pension liability - ending (a)	50,297,389	55,739,862	62,561,432	69,508,078
Plan fiduciary net position:				
Contributions - employer	2,058,618	2,291,479	2,630,201	2,978,969
Contributions - employee	1,102,273	1,149,849	1,274,657	1,392,972
Net investment income	2,024,176	58,730	2,858,337	6,646,053
Benefit payments, including refunds of employee contributions	(745,575)	(999,126)	(1,085,194)	(1,290,431)
Administrative expense	(21,127)	(35,762)	(32,250)	(34,403)
Other	(1,737)	(1,766)	(1,738)	(1,744)
Net change in plan fiduciary net position	4,416,628	2,463,404	5,644,013	9,691,416
Plan fiduciary net position - beginning	35,373,254	39,789,882	42,253,286	47,897,299
Plan fiduciary net position - ending (b)	39,789,882	42,253,286	47,897,299	57,588,715
Net pension liability - ending (a) - (b)	$ 10,507,507	$ 13,486,576	$ 14,664,133	$ 11,919,363
Plan fiduciary net position as a percentage of total pension liability	79.11%	75.80%	76.56%	82.85%
Covered payroll	$ 15,746,759	$ 16,426,414	$ 18,184,351	$ 19,887,590
Net pension liability as a percentage of covered payroll	66.73%	82.10%	80.64%	59.93%

Note: Only four years of data is presented in accordance with GASB #68, paragraph 138. “The information for all period for the 10-year schedules that are required to be presented as required supplementary information may be available initially. In these cases, during the transition period, that information should be presented for as many periods as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement. Additional years’ information will be displayed as it becomes available.”

CITY OF WYLIE, TEXAS **EXHIBIT A-12**
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Actuarially determined contribution	$ 2,235,994	$ 2,611,189	$ 2,924,821	$ 3,144,978
Contribution in relation to the actuarially determined contribution	2,235,994	2,611,189	2,924,821	3,144,978
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 16,311,322	$ 18,212,187	$ 19,547,995	$ 20,843,290
Contributions as a percentage of covered payroll	13.71%	14.34%	14.96%	15.09%

Note: GASB #68, paragraph 81.2.b requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

Note: Only four years of data is presented in accordance with GASB #68, paragraph 138. "The information for all period for the 10-year schedules that are required to be presented as required supplementary information may be available initially. In these cases, during the transition period, that information should be presented for as many periods as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement. Additional years' information will be displayed as it becomes available."

CITY OF WYLIE, TEXAS **EXHIBIT A-13**
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT YEARS
(UNAUDITED)

	Measurement Year 2017
Total OPEB liability:	
Charges for the year	
Service cost	$ 27,859
Interest	13,862
Changes of benefit terms	-
Difference between expected and actual experience	-
Change in assumptions	39,365
Benefit payments	(1,990)
Net change in total OPEB liability	79,096
Total OPEB liability - beginning	353,798
Total OPEB liability - ending	$ 432,894
Covered payroll	$ 19,887,590
Total OPEB liability as a percentage of covered payroll	2.18%

Note: Only one year of data is presented in accordance with GASB #75. Additional years' information will be displayed as it becomes available.

The TMRS Supplementary Death Benefit Fund (SDBF) is considered to be an unfunded OPEB plan; therefore, no plan fiduciary net position and related ratios are reported in the above schedule.

CITY OF WYLIE, TEXAS **EXHIBIT A-14**
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF OPEB CONTRIBUTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year 2018
Actuarially determined contribution	$ 2,086
Contributions in relation to the actuarially determined contribution	2,086
Contribution deficiency (excess)	$ -
Covered payroll	$ 20,843,290
Contributions as a percentage of covered payroll	0.01%

Note: GASB #75, paragraph 57 requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

Note: Only one year of data is presented in accordance with GASB #75. Additional years' information will be displayed as it becomes available.

CITY OF WYLIE, TEXAS
NOTES TO TEXAS MUNICIPAL RETIREMENT SYSTEM REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

VALUATION DATE:

Actuarial determined contribution rates are calculated as of December 31 each year and become effective in January, 12 months and one day later.

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	18 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other information: There were no benefit changes during the year.

CITY OF WYLIE
GULF, COLORADO &
SANTA FE RAILWAY
1887
STATE OF TEXAS

COMBINING STATEMENTS AND BUDGETARY COMPARISON SCHEDULES

CITY OF WYLIE, TEXAS **EXHIBIT A-15**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
GENERAL OBLIGATION DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
REVENUES				
Ad valorem taxes	$ 8,074,720	$ 8,074,720	$ 8,107,756	$ 33,036
Interest income	7,600	7,600	15,431	7,831
Total revenues	8,082,320	8,082,320	8,123,187	40,867
EXPENDITURES				
Debt service				
Principal	5,025,000	5,025,000	5,025,000	-
Interest and fiscal charges	2,937,813	2,937,813	2,936,112	1,701
Total debt service	7,962,813	7,962,813	7,961,112	1,701
Net change in fund balances	119,507	119,507	162,075	42,568
Fund balances, October 1	933,343	933,343	933,343	-
Fund balances, September 30	$ 1,052,850	$ 1,052,850	$ 1,095,418	$ 42,568

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

4B SALES TAX REVENUE FUND
Accounts for sales tax monies specifically designated for promoting economic development within the City by developing, implementing, providing and financing park and recreation projects.

PARKS ACQUISITION AND IMPROVEMENT FUND
Accounts for the development and improvement of City Parks.

FIRE TRAINING CENTER FUND
Accounts for First Responder fees specifically designated for the construction of the Fire Training Center.

FIRE DEVELOPMENT FEES FUND
Accounts for contributions specifically designated for use of the fire department.

MUNICIPAL COURT TECHNOLOGY FUND
Accounts for court fines specifically designated for improvements in court technology.

MUNICIPAL COURT BUILDING SECURITY FUND
Accounts for court fines specifically designated for additions/improvements to court security.

HOTEL TAX FUND
Accounts for occupancy taxes charged by hotels.

FEDERAL SEIZURE FUND
Accounts for the City's share of forfeiture proceeds at the federal level and is restricted for law enforcement additions/improvements only.

JUDICIAL EFFICIENCY FUND
Accounts for court fines specifically restricted to improving the efficiency of the administration of justice.

TRUANCY COURT FUND
Accounts for court fines designated for the efficiency of Juvenile Court truancy cases.

DEBT SERVICE FUND

4B DEBT SERVICE FUND 1996
Accounts for the accumulation of resources to be used for the payment of principal and interest on the 4B Sales Tax Revenue Bonds – Series 1996.

4B DEBT SERVICE FUND 2005
Accounts for the accumulation of resources to be used for the payment of principal and interest on the 4B Sales Tax Revenue Bonds – Series 2005.

CITY OF WYLIE, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	SPECIAL REVENUE FUNDS				
	4B Sales Tax Revenue	Park Acquisition and Improvement	Fire Training Center	Fire Development Fees	Municipal Court Technology
ASSETS					
Cash and cash equivalents	$ 2,548,068	$ 545,787	$ 202,220	$ 2,371,956	$ 30,823
Receivables: (net of allowances for uncollectibles)					
Other	24,031	-	2,010	-	-
Sales tax	483,898	-	-	-	-
Total assets	$ 3,055,997	$ 545,787	$ 204,230	$ 2,371,956	$ 30,823
LIABILITIES AND FUND BALANCES					
Accounts payable	$ 109,495	$ 33,700	$ 1,953	$ -	$ -
Other payables and accruals	44,225	2,328	-	-	-
Total liabilities	153,720	36,028	1,953	-	-
FUND BALANCES					
Restricted					
Debt service	-	-	-	-	-
Economic development	2,902,277	-	-	-	-
Municipal court	-	-	-	-	30,823
Tourism	-	-	-	-	-
Law enforcement	-	-	-	-	-
Committed					
Park acquisition and improvement	-	509,759	-	-	-
Fire training	-	-	202,277	-	-
Fire development	-	-	-	2,371,956	-
Total fund balances	2,902,277	509,759	202,277	2,371,956	30,823
Total liabilities and fund balances	$ 3,055,997	$ 545,787	$ 204,230	$ 2,371,956	$ 30,823

						DEBT SERVICE FUNDS		
Municipal Court Building Security	Hotel Tax	Federal Seizure	Judicial Efficiency	Truancy Court	4B Debt Service 1996	4B Debt Service 2005	Total Nonmajor Governmental Funds
$ 37,481	$ 308,390	$ 954	$ 4,272	$ 10,427	$ 183,960	$ 26,826	$ 6,271,164
-	18,899	-	-	-	-	-	44,940
-	-	-	-	-	-	-	483,898
$ 37,481	$ 327,289	$ 954	$ 4,272	$ 10,427	$ 183,960	$ 26,826	$ 6,800,002
$ -	$ 3,810	$ -	$ -	$ -	$ -	$ -	$ 148,958
-	-	-	-	-	-	-	46,553
-	3,810	-	-	-	-	-	195,511
-	-	-	-	-	183,960	26,826	210,786
-	-	-	-	-	-	-	2,902,277
37,481	-	-	4,272	10,427	-	-	83,003
-	323,479		-	-	-	-	323,479
-	-	954	-	-	-	-	954
-	-	-	-	-	-	-	509,759
-	-	-	-	-	-	-	202,277
-	-	-	-	-	-	-	2,371,956
37,481	323,479	954	4,272	10,427	183,960	26,826	6,604,491
$ 37,481	$ 327,289	$ 954	$ 4,272	$ 10,427	$ 183,960	$ 26,826	$ 6,800,002

CITY OF WYLIE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	SPECIAL REVENUE FUNDS				
	4B Sales Tax Revenue	Park Acquisition and Improvement	Fire Training Center	Fire Development Fees	Municipal Court Technology
REVENUES					
Sales taxes	$ 2,562,759	$ -	$ -	$ -	$ -
Licenses and permits	-	-	73,103	-	-
Intergovernmental	-	51,989	-	-	-
Service fees	753,456	-	-	-	-
Court fees	-	-	-	-	9,267
Development fees	-	-	-	273,022	-
Interest income	14,994	3,189	1,042	13,562	162
Miscellaneous income	30,111	47,959	-	-	-
Total revenues	3,361,320	103,137	74,145	286,584	9,429
EXPENDITURES					
Current:					
Public safety	-	-	14,311	-	-
Community service	3,062,469	100,652	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	3,062,469	100,652	14,311	-	-
Excess (deficiency) of revenues over (under) expenditures	298,851	2,485	59,834	286,584	9,429
Other financing sources (uses)					
Insurance recoveries	3,235	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(392,150)	-	-	-	-
Total other financing sources (uses)	(388,915)	-	-	-	-
Net change in fund balances	(90,064)	2,485	59,834	286,584	9,429
Fund balances October 1, 2017	2,992,341	507,274	142,443	2,085,372	21,394
Fund balances September 30, 2018	$ 2,902,277	$ 509,759	$ 202,277	$ 2,371,956	$ 30,823

EXHIBIT B-2

					DEBT SERVICE FUNDS		
Municipal Court Building Security	Hotel Tax	Federal Seizure	Judicial Efficiency	Truancy Court	4B Debt Service 1996	4B Debt Service 2005	Total Nonmajor Governmental Funds
$ -	$ 141,016	$ -	$ -	$ -	$ -	$ -	$ 2,703,775
-	-	-	-	-	-	-	73,103
-	-	-	-	-	-	-	51,989
-	-	-	-	-	-	-	753,456
6,950	-	-	1,026	3,650	-	-	20,893
-	-	-	-	-	-	-	273,022
213	1,457	-	23	54	1,110	993	36,799
-	-	-	-	-	-	-	78,070
7,163	142,473	-	1,049	3,704	1,110	993	3,991,107
1,576	-	-	-	-	-	-	15,887
-	24,781	-			-	-	3,187,902
-	-	-	-	-	-	325,000	325,000
-	-	-	-	-	-	67,150	67,150
1,576	24,781	-	-	-	-	392,150	3,595,939
5,587	117,692	-	1,049	3,704	1,110	(391,157)	395,168
-	-	-	-	-	-	-	3,235
-	-	-	-	-	-	392,150	392,150
-	(18,150)	-	-	-	-	-	(410,300)
-	(18,150)	-	-	-	-	392,150	(14,915)
5,587	99,542	-	1,049	3,704	1,110	993	380,253
31,894	223,937	954	3,223	6,723	182,850	25,833	6,224,238
$ 37,481	$ 323,479	$ 954	$ 4,272	$ 10,427	$ 183,960	$ 26,826	$ 6,604,491

CITY OF WYLIE, TEXAS **EXHIBIT C-1**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
4B SALES TAX REVENUE FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Sales taxes	$ 2,831,475	$ 2,831,475	$ 2,562,759	$ (268,716)
Service fees	659,000.00	659,000.00	753,456	94,456
Interest income	4,800	4,800	14,994	10,194
Miscellaneous income	17,500	17,500	30,111	12,611
Total revenues	3,512,775	3,512,775	3,361,320	(151,455)
EXPENDITURES				
Current				
Community service				
4B Parks	762,204	766,943	588,601	178,342
4B Brown House	294,915	300,053	185,149	114,904
4B Recreation	2,627,196	2,617,319	2,288,719	328,600
Total community service	3,684,315	3,684,315	3,062,469	621,846
Total expenditures	3,684,315	3,684,315	3,062,469	621,846
Excess (deficiency) of revenues over (under) expenditures	(171,540)	(171,540)	298,851	470,391
Other financing sources (uses)				
Insurance recovery	-	-	3,235	3,235
Transfers out	(392,150)	(392,150)	(392,150)	-
Total other financing sources (uses)	(392,150)	(392,150)	(388,915)	3,235
Net change in fund balances	(563,690)	(563,690)	(90,064)	473,626
Fund balances, October 1	2,992,341	2,992,341	2,992,341	-
Fund balances, September 30	$ 2,428,651	$ 2,428,651	$ 2,902,277	$ 473,626

CITY OF WYLIE, TEXAS **EXHIBIT C-2**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
PARK ACQUISTION AND IMPROVEMENT
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ 51,989	$ 51,989
Development fees	990,500	990,500	-	(990,500)
Interest income	-	-	3,189	3,189
Miscellaneous income	-	-	47,959	47,959
Total revenues	990,500	990,500	103,137	(887,363)
EXPENDITURES				
Current				
Community service				
Park acquisition - west zone	100,000	125,137	31,915	93,222
Park acquisition - central zone	100,000	143,000	51,439	91,561
Park acquisition - east zone	60,000	80,000	17,298	62,702
Total expenditures	260,000	348,137	100,652	247,485
Net change in fund balances	730,500	642,363	2,485	(639,878)
Fund balances, October 1	507,274	507,274	507,274	-
Fund balances, September 30	$ 1,237,774	$ 1,149,637	$ 509,759	$ (639,878)

CITY OF WYLIE, TEXAS **EXHIBIT C-3**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FIRE TRAINING CENTER
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and Permits	$ 24,000	$ 24,000	$ 73,103	$ 49,103
Interest income	500	500	1,042	542
Total revenues	24,500	24,500	74,145	49,645
EXPENDITURES				
Current				
Public safety				
Fire training center	55,000	55,000	14,311	40,689
Total public safety	55,000	55,000	14,311	40,689
Net change in fund balances	(30,500)	(30,500)	59,834	90,334
Fund balances, October 1	142,443	142,443	142,443	-
Fund balances, September 30	$ 111,943	$ 111,943	$ 202,277	$ 90,334

CITY OF WYLIE, TEXAS **EXHIBIT C-4**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FIRE DEVELOPMENT FEES
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Interest income	$ 4,200	$ 4,200	$ 13,562	$ 9,362
Development fees	300,000	300,000	273,022	(26,978)
Total revenues	304,200	304,200	286,584	(17,616)
EXPENDITURES				
Current				
Public safety				
Fire training center	502,000	1,802,000	-	1,802,000
Total public safety	502,000	1,802,000	-	1,802,000
Net change in fund balances	(197,800)	(1,497,800)	286,584	1,784,384
Fund balances, October 1	2,085,372	2,085,372	2,085,372	-
Fund balances, September 30	$ 1,887,572	$ 587,572	$ 2,371,956	$ 1,784,384

CITY OF WYLIE, TEXAS **EXHIBIT C-5**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
MUNICIPAL COURT TECHNOLOGY FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Court fees	$ 12,000	$ 12,000	$ 9,267	$ (2,733)
Interest income	70	70	162	92
Total revenues	12,070	12,070	9,429	(2,641)
EXPENDITURES				
Current				
Public safety	1,000	1,000	-	1,000
Total public safety	1,000	1,000	-	1,000
Net change in fund balances	11,070	11,070	9,429	(1,641)
Fund balances, October 1	21,394	21,394	21,394	-
Fund balances, September 30	$ 32,464	$ 32,464	$ 30,823	$ (1,641)

CITY OF WYLIE, TEXAS **EXHIBIT C-6**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
MUNICIPAL COURT BUILDING SECURITY FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Court fees	$ 9,000	$ 9,000	$ 6,950	$ (2,050)
Interest income	70	70	213	143
Total revenues	9,070	9,070	7,163	(1,907)
EXPENDITURES				
Current				
Public safety	5,000	5,000	1,576	3,424
Total public safety	5,000	5,000	1,576	3,424
Net change in fund balances	4,070	4,070	5,587	1,517
Fund balances, October 1	31,894	31,894	31,894	-
Fund balances, September 30	$ 35,964	$ 35,964	$ 37,481	$ 1,517

CITY OF WYLIE, TEXAS **EXHIBIT C-7**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
HOTEL TAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMEBER 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Sales taxes	$ 121,000	$ 121,000	$ 141,016	$ 20,016
Interest income	500	500	1,457	957
Total revenues	121,500	121,500	142,473	20,973
EXPENDITURES				
Current				
Community service	15,000	28,000	24,781	3,219
Total expenditures	15,000	28,000	24,781	3,219
Excess of revenues over expenditures	106,500	93,500	117,692	24,192
Other financing uses				
Transfers out	(18,150)	(18,150)	(18,150)	-
Total other financing uses	(18,150)	(18,150)	(18,150)	-
Net change in fund balances	88,350	75,350	99,542	24,192
Fund balances, October 1	223,937	223,937	223,937	-
Fund balances, September 30	$ 312,287	$ 299,287	$ 323,479	$ 24,192

CITY OF WYLIE, TEXAS **EXHIBIT C-8**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FEDERAL SEIZURE FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current				
Public safety	-	-	-	-
Total public safety	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, October 1	954	954	954	-
Fund balances, September 30	$ 954	$ 954	$ 954	$ -

CITY OF WYLIE, TEXAS **EXHIBIT C-9**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
JUDICIAL EFFICIENCY FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Court fees	$ 900	$ 900	$ 1,026	$ 126
Interest income	10	10	23	13
Total revenues	910	910	1,049	139
EXPENDITURES				
Current				
Court	-	-	-	-
Total court	-	-	-	-
Net change in fund balances	910	910	1,049	139
Fund balances, October 1	3,223	3,223	3,223	-
Fund balances, September 30	$ 4,133	$ 4,133	$ 4,272	$ 139

CITY OF WYLIE, TEXAS **EXHIBIT C-10**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
TRUANCY COURT FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Court fees	$ -	$ -	$ 3,650	$ 3,650
Interest income	-	-	54	54
Total revenues	-	-	3,704	3,704
EXPENDITURES				
Current				
Court	-	-	-	-
Total court	-	-	-	-
Net change in fund balances	-	-	3,704	3,704
Fund balances, October 1	-	-	6,723	6,723
Fund balances, September 30	$ -	$ -	$ 10,427	$ 10,427

CITY OF WYLIE, TEXAS **EXHIBIT D-1**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
4B DEBT SERVICE 1996 FUND
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
REVENUES				
Interest income	$ -	$ -	$ 1,110	$ 1,110
Total revenues	-	-	1,110	1,110
EXPENDITURES				
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	1,110	1,110
Fund balances, October 1	182,850	182,850	182,850	-
Fund balances, September 30	$ 182,850	$ 182,850	$ 183,960	$ 1,110

CITY OF WYLIE, TEXAS **EXHIBIT D-2**
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
4B DEBT SERVICE 2005 FUND
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
REVENUES				
Interest income	$ -	$ -	$ 993	$ 993
Total revenues	-	-	993	993
EXPENDITURES				
Debt service				
Principal	325,000	325,000	325,000	-
Interest and fiscal charges	67,150	67,150	67,150	-
Total debt service	392,150	392,150	392,150	-
Total expenditures	392,150	392,150	392,150	-
Deficiency of revenues under expenditures	(392,150)	(392,150)	(391,157)	993
Other financing sources				
Transfers in	392,150	392,150	392,150	-
Total other financing sources	392,150	392,150	392,150	-
Net change in fund balances	-	-	993	993
Fund balances, October 1	25,833	25,833	25,833	-
Fund balances, September 30	$ 25,833	$ 25,833	$ 26,826	$ 993

CITY OF WYLIE
GULF, COLORADO &
SANTA FE RAILWAY
1887
STATE OF TEXAS

STATISTICAL SECTION

CITY OF WYLIE
GULF, COLORADO &
SANTA FE RAILWAY
1887
STATE OF TEXAS

CITY OF WYLIE, TEXAS
STATISTICAL SECTION
TABLE OF CONTENTS

This part of the City of Wylie's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

Contents — Table #s

Financial Trends — **1-5**
These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity — **6-12**
These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes.

Debt Capacity — **13-17**
These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Information — **18-19**
These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information — **20-22**
These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.

Source: Unless otherwise noted, the information in these labels is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2003: tables pressing government-wide information include information beginning in that year.

CITY OF WYLIE, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)

	2009	2010	2011	2012
Governmental Activities				
Net Investment in Capital Assets	$ 87,367,632	$ 92,652,726	$ 96,233,296	$ 95,243,831
Restricted	-	157,135	290,576	403,355
Unrestricted	18,364,466	19,795,514	18,292,357	23,002,260
Total Governmental Activities Net Position	$105,732,098	$ 112,605,375	$114,816,229	$118,649,446
Business-type Activities				
Net Investment in Capital Assets	$ 37,166,408	$ 38,013,180	$ 37,576,095	$ 43,108,563
Restricted	7,338,139	5,470,351	4,260,021	3,550,825
Unrestricted	9,820,167	11,356,977	14,359,344	10,421,435
Total Business-type Activities Net Position	$ 54,324,714	$ 54,840,508	$ 56,195,460	$ 57,080,823
Primary Government				
Net Investment in Capital Assets	$124,534,040	$ 130,665,906	$133,809,391	$138,352,394
Restricted	7,338,139	5,627,486	4,550,597	3,954,180
Unrestricted	28,184,633	31,152,491	32,651,701	33,423,695
Total Primary Government Net Position	$160,056,812	$ 167,445,883	$171,011,689	$175,730,269

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. This information is presented using the accrual basis of accounting.

TABLE 1

2013	2014	2015	2016	2017	2018
$ 97,011,784	$104,161,153	$110,141,284	$120,169,208	$131,493,684	$139,434,589
2,028,665	1,910,643	2,198,212	3,308,748	4,145,132	4,294,426
19,453,739	15,353,055	12,040,540	14,016,198	20,176,356	21,771,662
$118,494,188	$121,424,851	$124,380,036	$137,494,154	$155,815,172	$165,500,677
$ 45,467,130	$ 46,332,004	$ 47,855,920	$ 48,313,914	$ 43,143,369	$ 51,965,084
3,477,195	3,682,967	5,039,922	5,883,377	7,125,122	8,327,382
10,939,781	10,466,437	10,249,068	10,803,417	19,043,168	13,086,407
$ 59,884,106	$ 60,481,408	$ 63,144,910	$ 65,000,708	$ 69,311,659	$ 73,378,873
$142,478,914	$150,493,157	$157,997,204	$168,483,122	$174,637,053	$191,399,673
5,505,860	5,593,610	7,238,134	9,192,125	11,270,254	12,621,808
30,393,520	25,819,492	22,289,608	24,819,615	39,219,524	34,858,069
$178,378,294	$181,906,259	$187,524,946	$202,494,862	$225,126,831	$238,879,550

CITY OF WYLIE, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS (UNAUDITED)

	2009	2010	2011	2012
Expenses				
Governmental Activities:				
General Government	$ 3,485,356	$ 6,479,482	$ 3,621,127	$ 6,118,269
Public Safety	11,585,582	11,859,042	13,694,425	13,329,862
Urban development	1,178,655	1,193,068	1,254,722	1,285,496
Streets	6,761,308	4,263,064	5,493,677	2,515,998
Community service	3,325,813	3,292,045	4,965,762	9,435,014
Interest on Long-Term Debt	4,872,366	5,163,908	4,795,423	4,692,448
Total Governmental Activities Expenses	31,209,080	32,250,609	33,825,136	37,377,087
Business-type Activities				
Utility	10,338,152	10,494,419	10,566,621	10,918,523
Total Business-type Activities Expenses	10,338,152	10,494,419	10,566,621	10,918,523
Total Primary Government Expenses	$ 41,547,232	$ 42,745,028	$ 44,391,757	$ 48,295,610
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	$ 2,164,172	$ 2,255,866	$ 2,221,163	$ 2,247,927
Public safety	1,257,771	1,257,540	1,376,734	1,425,766
Urban development	558,461	652,839	637,805	690,237
Community service	252,003	250,086	747,321	887,559
Operating Grants and Contributions	264,209	474,576	217,790	1,622,466
Capital Grants and Contributions	5,731,359	6,494,706	1,663,223	3,538,027
Total Governmental Activities Program Revenues	10,227,975	11,385,613	6,864,036	10,411,982
Business-type Activities:				
Charges for Services:				
Utility	10,172,309	11,088,925	12,580,923	12,826,991
Capital Grants and Contributions	51,500	-	-	393,140
Total Business-type Activities Program Revenues	10,223,809	11,088,925	12,580,923	13,220,131
Total Primary Government Programs Revenues	20,451,784	22,474,538	19,444,959	23,632,113
Net (Expense)/Revenue				
Governmental Activities	$ (20,981,105)	$ (20,864,996)	$ (26,961,100)	$ (26,965,105)
Business-type Activities	(114,343)	594,506	2,014,302	2,301,608
Total Primary Governmental Net Expense	(21,095,448)	(20,270,490)	(24,946,798)	(24,663,497)

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. This information is presented using the accrual basis of accounting.

TABLE 2

2013	2014	2015	2016	2017	2018
$ 5,617,973	$ 4,731,511	$ 8,292,990	$ 9,547,712	$ 8,076,571	$ 10,540,621
14,886,917	16,818,848	15,265,836	16,665,427	17,893,012	20,843,027
1,143,806	1,175,311	1,040,898	1,012,093	1,179,962	1,354,808
7,080,061	8,019,706	7,649,278	6,941,858	8,044,783	8,832,924
6,861,667	7,189,773	7,326,919	7,750,815	9,092,767	9,561,750
4,283,310	4,029,262	3,920,570	3,439,372	2,752,525	2,659,653
39,873,734	41,964,411	43,496,491	45,357,277	47,039,620	53,792,783
11,644,534	12,600,422	12,878,510	14,250,070	15,334,168	17,157,737
11,644,534	12,600,422	12,878,510	14,250,070	15,334,168	17,157,737
$ 51,518,268	$ 54,564,833	$ 56,375,001	$ 59,607,347	$ 62,373,788	$ 70,950,520
$ 2,304,350	$ 2,452,885	$ 2,650,115	$ 2,805,284	$ 2,887,799	$ 2,924,232
1,375,077	1,514,932	1,519,821	1,665,370	1,682,035	1,950,380
699,296	824,241	1,399,132	1,497,411	1,589,740	1,443,985
815,741	875,090	946,334	383,916	382,566	394,997
142,063	332,004	467,147	359,928	364,935	346,444
4,815,624	6,651,870	10,343,185	12,277,481	15,186,815	11,809,600
10,152,151	12,651,022	17,325,734	18,989,390	22,093,890	18,869,638
13,571,924	13,767,869	15,473,529	15,997,794	16,622,658	19,431,713
543,678	1,052,390	2,399,575	1,496,700	4,827,433	3,646,800
14,115,602	14,820,259	17,873,104	17,494,494	21,450,091	23,078,513
24,267,753	27,471,281	35,198,838	36,483,884	43,543,981	41,948,151
$ (29,721,583)	$ (29,313,389)	$ (26,170,757)	$ (26,367,887)	$ (24,945,730)	$ (34,923,145)
2,471,068	2,219,837	4,994,594	3,244,424	6,115,923	5,920,776
(27,250,515)	(27,093,552)	(21,176,163)	(23,123,463)	(18,829,807)	(29,002,369)

CITY OF WYLIE, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)

	2009	2010	2011	2012
Net (Expense)/Revenue				
Governmental Activities	$ (20,981,105)	$ (20,864,996)	$ (26,961,100)	$ (26,965,105)
Business-type Activities	(114,343)	594,506	2,014,302	2,301,608
Total Primary Government Net Expense	(21,095,448)	(20,270,490)	(24,946,798)	(24,663,497)
Governmental Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes	20,391,128	20,649,388	20,706,218	21,220,640
Sales Taxes	3,933,650	4,086,686	4,632,860	4,879,854
Franchise Taxes	2,391,509	2,226,420	2,278,805	2,538,708
Unrestricted Investment Earnings	924,047	212,547	94,894	62,408
Miscellaneous Income	297,601	118,547	536,216	419,715
Gain (loss) on disposal of capital assets	10,769	(5,315)	18,526	-
Transfers	450,000	450,000	904,435	1,676,997
Total Governmental Activities	28,398,704	27,738,273	29,171,954	30,798,322
Business-type Activities:				
Investment Earnings	299,563	169,925	141,682	128,932
Miscellaneous Income	579,455	201,363	96,740	131,820
Gain (loss) on disposal of capital assets	-	-	6,663	-
Transfers	(450,000)	(450,000)	(904,435)	(1,676,997)
Total Business-type Activities	429,018	(78,712)	(659,350)	(1,416,245)
Total Primary Government	$ 28,827,722	$ 27,659,561	$ 28,512,604	$ 29,382,077
Change in Net Position				
Governmental Activities	$ 7,417,599	$ 6,873,277	$ 2,210,854	$ 3,833,217
Business-type Activities	314,675	515,794	1,354,952	885,363
Total Primary Government	$ 7,732,274	$ 7,389,071	$ 3,565,806	$ 4,718,580

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. This information is presented using the accrual basis of accounting.

TABLE 3

2013	2014	2015	2016	2017	2018
$ (29,721,583)	$ (29,313,389)	$ (26,170,757)	$ (26,367,887)	$ (24,945,730)	$ (34,923,145)
2,471,068	2,219,837	4,994,594	3,244,424	6,115,923	5,920,776
(27,250,515)	(27,093,552)	(21,176,163)	(23,123,463)	(18,829,807)	(29,002,369)
21,280,279	22,537,796	24,620,586	26,992,416	30,065,957	31,459,533
5,635,492	5,872,316	6,663,646	7,555,687	7,993,453	7,859,294
2,238,997	2,497,660	2,665,092	2,709,736	2,726,088	2,749,138
41,651	7,857	12,708	65,850	145,377	312,765
423,219	186,802	160,750	149,534	223,012	356,159
8,317	49,752	339,328	96,937	-	22,460
(61,630)	1,709,611	1,961,899	1,911,845	2,112,861	2,166,807
29,566,325	32,861,794	36,424,009	39,482,005	43,266,748	44,926,156
114,480	98,049	93,293	103,521	135,053	212,774
156,105	174,147	336,548	419,698	172,836	129,963
-	-	-	-	-	-
61,630	(1,709,611)	(1,961,899)	(1,911,845)	(2,112,861)	(2,166,807)
332,215	(1,437,415)	(1,532,058)	(1,388,626)	(1,804,972)	(1,824,070)
$ 29,898,540	$ 31,424,379	$ 34,891,951	$ 38,093,379	$ 41,461,776	$ 43,102,086
$ (155,258)	$ 3,548,405	$ 10,253,252	$ 13,114,118	$ 18,321,018	$ 10,003,011
2,803,283	782,422	3,462,536	1,855,798	4,310,951	4,096,706
$ 2,648,025	$ 4,330,827	$ 13,715,788	$ 14,969,916	$ 22,631,969	$ 14,099,717

CITY OF WYLIE, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year 2009	2010	(1) 2011	2012
General Fund				
Reserved	$ 146,428	$ 153,389	$ -	$ -
Nonspendable	-	-	154,354	181,865
Restricted	-	-	-	-
Committed	-	-	128,512	-
Assigned	-	-	-	-
Unassigned	-	-	10,095,757	11,286,328
Unreserved	9,917,733	8,305,011	-	-
Total General Fund	$ 10,064,161	$ 8,458,400	$ 10,378,623	$ 11,468,193
All Other Governmental Funds				
Reserved	$ 595,319	$ 656,402	$ -	$ -
Nonspendable	-	-	-	-
Restricted	-	-	32,345,329	31,563,601
Committed	-	-	1,882,591	2,217,660
Unassigned	-	-	-	-
Unreserved, Reported in:				
Special Revenue Funds	3,845,934	5,308,220	-	-
Debt Service Funds	-	194,986	-	-
Capital Projects Funds	67,875,143	44,082,553	-	-
Total All Other Governmental Funds	$ 72,316,396	$ 50,242,161	$ 34,227,920	$ 33,781,261

(1) The City implemented GASB No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" which impacted both the classifications of funds and classification of and balances within funds.

TABLE 4

2013	2014	2015	2016	2017	2018
$ -	$ -	$ -	$ -	$ -	$ -
189,310	185,370	181,891	194,820	156,872	173,603
17,055	37,299	31,167	44,107	44,107	29,381
14,096	159,429	168,017	591,471	413,504	354,354
137,409	174,173	170,213	88,788	2,884,219	1,381,468
11,734,825	11,737,159	13,561,725	16,272,269	16,281,977	16,202,153
-	-	-	-	-	-
$ 12,092,695	$ 12,293,430	$ 14,113,013	$ 17,191,455	$ 19,780,679	$ 18,140,959
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
19,006,290	14,424,699	12,401,450	12,481,571	15,313,781	28,176,150
1,916,938	1,834,152	2,668,895	2,662,297	2,735,089	3,083,992
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 20,923,228	$ 16,258,851	$ 15,070,345	$ 15,143,868	$ 18,048,870	$ 31,260,142

CITY OF WYLIE, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)

	2009	2010	2011	2012
Revenues				
Ad valorem taxes	$ 20,310,022	$ 20,649,075	$ 20,746,031	$ 21,232,323
Sales taxes	3,933,650	4,086,686	4,632,860	4,879,854
Franchise fees	2,136,664	2,060,000	2,280,283	2,475,389
Licenses and permits	1,060,595	1,083,184	1,354,135	1,856,690
Intergovernmental	2,485,357	6,765,997	1,595,509	4,363,842
Service fees	2,670,068	2,786,282	3,325,419	3,612,346
Court fees	427,246	425,439	342,592	293,140
Development fees	-	-	-	-
Interest income	913,799	210,314	94,894	62,408
Miscellaneous income	562,751	439,558	781,392	703,755
Total Revenues	34,500,152	38,506,535	35,153,115	39,479,747
Expenditures				
General Government	5,442,300	5,794,116	7,071,914	6,925,023
Public Safety	11,042,607	12,991,765	13,170,413	12,489,688
Urban development	1,135,299	1,161,850	1,247,257	1,282,284
Streets	1,620,193	1,189,434	1,033,150	1,499,966
Community Service	3,117,542	2,893,696	4,433,358	5,058,302
Capital Outlay	19,900,621	30,662,779	15,891,919	8,319,958
Debt Service				
Principal	3,627,903	3,458,337	3,375,238	3,717,780
Interest and fiscal charges	5,156,180	5,091,403	4,853,660	4,700,789
Bond issuance costs	-	225,807	-	108,445
Total Expenditures	51,042,645	63,469,187	51,076,909	44,102,235
Excess of Revenues				
Over (Under) Expenditures	(16,542,493)	(24,962,652)	(15,923,794)	(4,622,488)
Other Financing Sources (Uses)				
Transfers In	2,597,809	4,019,027	4,761,221	4,455,397
Transfers Out	(2,147,809)	(3,569,027)	(2,972,489)	(2,778,400)
Issuance of long-term debt	-	8,264,548	-	8,210,000
Premium on bonds issued	-	3,892	-	486,870
Discount on bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	(7,435,784)	-	(6,980,670)
Proceeds from capital lease	-	-	-	326,580
Proceeds from note	-	-	-	438,621
Insurance recovery	-	-	-	-
Reimbursement from other funds	-	-	-	1,107,001
Sale of capital assets	2,015	-	41,044	-
Total Other Financing				
Sources (Uses)	452,015	1,282,656	1,829,776	5,265,399
Net Change in Fund Balances	$ (16,090,478)	$ (23,679,996)	$ (14,094,018)	$ 642,911
Debt Service as a Percentage				
of Noncapital Expenditures	28.2%	26.1%	23.4%	23.5%

TABLE 5

2013	2014	2015	2016	2017	2018
$ 21,232,219	$ 22,539,230	$ 24,515,600	$ 27,127,964	$ 30,062,648	$ 31,521,403
5,635,492	5,872,316	6,663,646	7,555,687	7,993,453	7,859,294
2,324,149	2,579,004	2,595,964	2,666,356	2,686,550	2,740,472
1,012,501	1,595,468	2,465,148	1,623,398	2,218,729	2,118,115
3,315,505	3,983,797	2,307,516	4,591,241	4,755,914	1,353,146
3,627,931	3,852,357	4,183,790	4,306,832	4,307,000	4,338,603
284,606	288,591	413,757	536,106	582,418	486,980
-	-	880,193	473,966	969,365	273,022
41,651	7,857	12,708	65,850	145,377	312,765
692,886	550,732	326,323	292,456	301,504	482,294
38,166,940	41,269,352	44,364,645	49,239,856	54,022,958	51,486,094
7,007,712	7,623,082	8,405,920	9,396,230	10,677,430	10,041,180
13,980,047	14,230,747	15,064,971	17,577,736	18,190,153	19,420,235
1,144,217	1,170,740	1,124,212	1,109,049	1,270,481	1,309,980
1,648,373	1,848,617	1,901,138	2,190,086	3,070,133	3,165,925
5,197,133	5,469,383	5,860,111	6,408,022	8,359,639	7,696,489
13,585,375	8,762,342	5,167,717	5,047,777	3,493,929	674,969
3,994,879	4,320,000	4,695,000	5,000,000	5,060,000	5,350,000
4,358,181	4,191,706	3,707,211	3,170,926	3,181,314	3,003,262
87,845	-	244,695	323,391	-	89,500
51,003,762	47,616,617	46,170,975	50,223,217	53,303,079	50,751,540
(12,836,822)	(6,347,265)	(1,806,330)	(983,361)	719,879	734,554
3,696,525	5,411,900	3,594,899	3,738,641	3,477,861	6,372,660
(3,036,229)	(3,628,021)	(1,633,000)	(1,785,791)	(1,365,000)	(4,205,853)
7,400,000	-	21,240,000	30,110,000	-	8,500,000
374,207	-	3,128,967	5,833,412	-	106,250
-	-	-	-	-	-
(7,839,529)	-	(24,376,415)	(36,041,783)	-	-
-	-	-	-	1,130,553	-
-	-	-	-	86,034	-
-	-	-	2,110,037	1,444,899	11,693
-	-	-	-	-	-
8,317	99,744	482,956	170,810	-	52,248
603,291	1,883,623	2,437,407	4,135,326	4,774,347	10,836,998
$ (12,233,531)	$ (4,463,642)	$ 631,077	$ 3,151,965	$ 5,494,226	$ 11,571,552
22.3%	22.7%	21.1%	18.7%	17.7%	17.1%

CITY OF WYLIE, TEXAS **TABLE 6**
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Ad Valorem Taxes	Sales Taxes	Franchise Taxes	Total
2009	20,310,022	3,933,650	2,136,664	26,380,336
2010	20,649,075	4,086,686	2,060,000	26,795,761
2011	20,746,031	4,632,860	2,280,283	27,659,174
2012	21,232,323	4,879,854	2,475,389	28,587,566
2013	21,232,219	5,635,492	2,324,149	29,191,860
2014	22,539,230	5,872,316	2,579,004	30,990,550
2015	24,515,600	6,663,646	2,595,964	33,775,210
2016	27,127,964	7,555,687	2,666,356	37,350,007
2017	30,062,648	7,993,453	2,686,550	40,742,651
2018	31,521,403	7,859,294	2,740,472	42,121,169
Percent Change	$ 11,211,381	$ 3,925,644	$ 603,808	$ 15,740,833
2009-2018	55.2%	99.8%	28.3%	59.7%

TABLE 7

CITY OF WYLIE, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2009	1,851,412,088	320,559,885	154,813,362	94,519,658	2,232,265,677	0.8989
2010	1,681,490,233	317,876,320	159,911,022	98,352,452	2,060,925,123	0.8989
2011	1,849,191,950	350,209,595	121,853,139	98,637,590	2,222,617,094	0.8989
2012	1,878,899,878	301,701,482	109,890,564	94,582,252	2,195,909,672	0.8989
2013	1,906,900,883	362,556,519	112,905,366	111,897,168	2,270,465,600	0.8889
2014	2,029,810,891	385,941,414	120,187,762	119,114,535	2,416,825,532	0.8839
2015	2,159,677,849	456,585,488	120,520,310	118,002,192	2,618,781,455	0.8789
2016	2,403,735,226	493,073,892	184,902,709	160,657,963	2,921,053,864	0.8689
2017	2,796,346,833	524,315,031	174,771,677	169,870,475	3,325,563,066	0.8489
2018	2,850,322,514	529,063,317	188,228,974	209,198,308	3,358,476,497	0.7810

Source: Central Appraisal District of Collin County web site (www.collincad.org)

CITY OF WYLIE, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 8

	City Direct Rates			Overlapping Rates				
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct Rate	Wylie Independent School District	Community Independent School District	Collin County	Collin County Community College District	Total Direct & Overlapping Rates
2009	0.561950	0.336950	0.898900	1.5100	1.4950	0.2425	0.0865	4.2329
2010	0.550220	0.348680	0.898900	1.5100	1.4950	0.2425	0.0865	4.2329
2011	0.600850	0.298050	0.898900	1.6400	1.4950	0.2425	0.0863	4.3627
2012	0.600153	0.298747	0.898900	1.6400	1.4950	0.2400	0.0863	4.3602
2013	0.590620	0.298280	0.888900	1.6400	1.4950	0.2400	0.0863	4.3502
2014	0.593314	0.290586	0.883900	1.6400	1.6250	0.2375	0.0836	4.4700
2015	0.597978	0.280922	0.878900	1.6400	1.6150	0.2350	0.0820	4.4509
2016	0.611583	0.257317	0.868900	1.6400	1.6250	0.2250	0.0820	4.4409
2017	0.623399	0.225501	0.848900	1.6400	1.6250	0.2084	0.0812	4.4035
2018	0.580307	0.200693	0.781000	1.6400	1.6250	0.1922	0.0798	4.3181

(1) Source: Central appraisal District of Colling County web site (www.collincad.org).

(2) Although the Community Independent School District is included in the above presentation, less than one percent of the City of Wylie lies within this taxing jurisdiction.

(3) Basis for property tax rate is per $100 of taxable valuation.

CITY OF WYLIE, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO (UNAUDITED)

TABLE 9

	2018			2008		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Woodbridge Crossing LP	$ 40,898,026	1	1.08%	-		
Creekside South Apartments LLC	36,600,000	2	0.97%	-		
Hayden Wylie LLC	36,500,000	3	0.97%	-		
Western Rim Investors 2014-3 LP	34,454,863	4	0.91%	-		
Sanden International (USA) Inc.	34,262,956	5	0.91%	47,923,472	1	2.05%
Wylie Apartments LP	22,874,986	6	0.61%	-		
Oncor Electric Delivery Company	20,131,740	7	0.53%	16,891,198	2	0.72%
Holland Hitch of Tx Inc.	17,889,058	8	0.47%	11,351,327	9	0.49%
Bloomfield Homes LP	16,950,684	9	0.45%	-		
Sanden International (USA) Inc.	15,912,000	10	0.42%	16,274,724	3	0.70%
Kansas City Southern Railway Co.	15,762,918	11	0.42%	-		
Atlas River Oaks LLC	15,427,524	12	0.41%	-		
Wal-Mart Real Estate Business TR	15,211,230	13	0.40%	14,055,271	6	0.60%
Yes Companies LLC	14,637,300	14	0.39%	11,881,080	8	0.51%
Target Corporation	14,098,000	15	0.37%	-		
Kroger Texas LP	13,826,167	16	0.37%	-		
Ascend Custom Extrusions LLC	13,630,964	17	0.36%	-		
Direct Chassislink Inc.	11,224,757	18	0.30%	-		
Carlisle Coating & Waterproofing Inc.	10,957,110	19	0.29%	-		
PM Wylie Mob LP	10,350,000	20	0.27%	-		
Total	$ 411,600,283		10.90%	$ 118,377,072		5.07%

(1) Source: Central Appraisal District of Collin County website (www.collincad.org)

CITY OF WYLIE, TEXAS **TABLE 10**
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	20,125,509	19,783,368	98.30%	120,195	19,903,563	98.90%
2010	20,597,372	20,304,072	98.58%	168,467	20,472,539	99.39%
2011	20,462,978	19,981,812	97.65%	103,598	20,085,410	98.15%
2012	21,106,909	20,997,467	99.48%	111,418	21,108,885	100.00%
2013	21,102,465	20,919,197	99.13%	181,943	21,101,140	99.99%
2014	22,501,648	22,192,325	98.63%	222,173	22,414,498	99.61%
2015	24,313,312	24,045,424	98.90%	323,627	24,369,051	100.00%
2016	26,864,127	26,549,430	98.83%	403,692	26,953,122	100.00%
2017	29,991,374	29,659,723	98.89%	250,376	29,910,099	99.73%
2018	31,349,629	31,134,716	99.31%	230,766	31,365,482	100.00%

CITY OF WYLIE, TEXAS **TABLE 11**
DIRECT AND OVERLAPPING SALES TAX REVENUE
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	City Direct Rate	Wylie Economic Development Corporation	Collin County
2009	1.50%	0.50%	0.00%
2010	1.50%	0.50%	0.00%
2011	1.50%	0.50%	0.00%
2012	1.50%	0.50%	0.00%
2013	1.50%	0.50%	0.00%
2014	1.50%	0.50%	0.00%
2015	1.50%	0.50%	0.00%
2016	1.50%	0.50%	0.00%
2017	1.50%	0.50%	0.00%
2018	1.50%	0.50%	0.00%

Note: The City sales tax rate includes the City sales tax rate of one percent and the blended component unit rate of one-half percent

CITY OF WYLIE, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS (UNAUDITED)

	2009	2010	2011	2012
Construction	$ 245,608	$ 254,197	$ 287,852	$ 303,295
Manufacturing	167,054	172,896	195,787	206,291
Transportation, Communications	449,408	465,124	536,599	565,387
Wholesale Trade	82,703	85,595	96,790	101,983
Retail Trade	1,980,495	2,049,752	2,392,594	2,520,955
Other	2,268,075	2,347,389	2,583,979	2,722,608
Total	$5,193,343	$5,374,953	$6,093,601	$6,420,519

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of revenue. The tax liability includes the City sales tax rate of one percent and the blended component unit rate of one-half percent.

TABLE 12

2013	2014	2015	2016	2017	2018
$ 350,351	$ 497,754	$ 479,336	$ 536,173	$ 452,735	$ 830,425
238,297	101,808	80,028	103,575	96,116	119,847
653,107	291,838	179,077	212,058	212,407	318,281
117,806	100,203	166,717	168,752	361,554	644,085
2,912,081	3,303,378	3,633,909	4,169,961	4,560,251	5,513,345
3,145,043	3,435,545	4,228,072	4,736,506	4,826,441	2,825,054
$7,416,685	$7,730,526	$8,767,139	$ 9,927,025	$10,509,504	$10,251,037

CITY OF WYLIE, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)

	General Bonded Debt		
Fiscal Year	General Obligation Bonds	Combination Tax/Revenue Bonds	Certificates of Obligation
2009	$ 87,287,620	$ 21,855,000	$ -
2010	85,875,399	21,623,058	-
2011	83,523,270	20,781,749	-
2012	83,657,687	18,318,294	-
2013	81,432,742	13,673,829	-
2014	78,121,976	12,789,364	-
2015	75,375,018	11,864,899	-
2016	83,016,024	1,925,435	-
2017	78,187,253	1,233,553	-
2018	73,139,939	9,115,985	-

	Business-type Activities		
Fiscal Year	General Obligation Bonds	Water Revenue Bonds	Combination Tax/Revenue Bonds
2009	2,047,381	2,940,000	7,280,000
2010	4,148,252	-	6,929,207
2011	3,671,990	-	6,643,497
2012	3,538,120	-	6,342,787
2013	3,021,394	-	6,032,077
2014	2,329,667	-	5,706,367
2015	1,622,945	-	5,365,657
2016	6,025,224	-	324,947
2017	5,816,174	-	7,134,237
2018	4,875,035	-	7,388,900

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See the Demographic and Economic Statistics table on page 120 for population data.

Other Governmental Activities Debt									
General Obligation Bonds	Tax Revenue Bonds	Contractual Obligations	Loans and Obligation	Capital Leases	Contractual Obligations	Capital Leases	Total Primary Government (1)	Percentage of Personal Income	Per Capita (2)
$ -	$ 850,000	$ 1,055,074	$ -	$ -	844,002	-	124,159,077	9.51%	3,242
-	750,000	879,457	-	71,677	729,665	-	121,006,715	10.14%	3,096
-	645,000	784,353	-	36,499	610,067	-	116,696,425	9.07%	2,811
-	530,000	1,637,504	404,547	240,806	130,861	-	114,800,606	8.84%	2,728
3,602,546	410,000	1,507,760	298,867	152,414	-	-	110,131,629	8.16%	2,533
3,588,513	280,000	1,447,896	189,938	61,324	-	-	104,515,045	7.37%	2,371
3,539,481	145,000	1,388,031	77,660	25,336	-	-	99,404,027	6.61%	2,162
3,223,125	-	1,323,166	-	-	-	-	95,837,921	6.13%	2,027
2,911,894	-	1,258,333	-	892,734	-	-	97,434,178	6.08%	2,039
2,559,435	-	1,193,436	-	678,036	-	-	98,950,767	5.36%	1,903

CITY OF WYLIE, TEXAS **TABLE 14**
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	Less: Restricted for Debt Service	Net Bonded Debt	Percentage Actual Taxable Value of Property	Per Capita
2009	$ 89,335,001	$ 322,849	$ 89,012,152	3.99%	2,324
2010	90,023,651	157,135	89,866,516	4.36%	2,304
2011	87,195,260	290,576	86,904,684	3.91%	2,098
2012	87,195,807	403,355	86,792,452	3.95%	2,062
2013	88,056,682	379,477	87,677,205	3.86%	2,016
2014	84,040,156	281,183	83,758,973	3.47%	1,900
2015	80,537,444	470,789	80,066,655	3.06%	1,742
2016	92,264,373	675,565	91,588,808	3.14%	1,937
2017	86,915,321	820,559	86,094,762	2.59%	1,802
2018	80,574,410	1,095,418	79,478,992	2.10%	1,585

CITY OF WYLIE, TEXAS **TABLE 15**
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(UNAUDITED)

Governmental Unit (3)		Debt Outstanding		(4) Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt Repaid with Property Taxes					
Wylie Independent School District		$ 271,296,564	(1)	65.74%	$ 178,350,361
Collin County		319,710,000	(1)	3.08%	9,847,068
Collin County Community College District		246,415,000	(1)	3.08%	7,589,582
Community Independent School District		57,398,000	(1)	0.60%	344,388
Princeton Independent School District		166,837,329	(1)	1.10%	1,835,211
Rockwall County		99,520,000	(1)	0.65%	646,880
Subtotal, Overlapping Debt					198,613,490
City Direct Debt	(2)				86,686,831
Total Direct and Overlapping Debt					$ 285,300,321
Ratio of Direct and Overlapping Bonded Debt to Taxable Assessed Valuation					8.49%
Per Capita Direct and Overlapping Debt					$ 5,486

(1) Source: Municipal Advisory Council of Texas

(2) Excludes business-type activities debt

(3) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Wylie, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(4) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the various governments' taxable assessed value that is within the government's boundaries and dividing it by the total taxable assessed value.

CITY OF WYLIE, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

	2009	2010	2011	2012
Debt Limit	$ 218,423,524	$ 222,261,709	$ 219,590,967	$ 223,569,649
Total Net Debt Applicable to Limit	80,909,003	79,445,195	76,951,261	76,559,220
Legal Debt Margin	115,189,279	137,514,521	142,816,514	142,639,706
Total Net Debt Applicable to the Limit As a percentage of Debt Limit	37.04%	35.74%	35.04%	34.24%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	$ 3,776,813,114
Debt Limit (10%) of Assessed Value)	377,681,311
Debt Applicable to Limit:	
General Obligation Bonds	75,699,374
Less: Amount Set Aside for Repayment of General Obligation Debt	(7,734,726)
Total Net Debt applicable to Limit	67,964,648
Legal Debt Margin	$ 309,716,663

(1) Under state law, the City of Wylie, Texas' outstanding general obligation debt should not exceed ten percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by the amount set aside for repaying general obligation bonds.

TABLE 16

2013	2014	2015	2016	2017	2018
$ 227,046,560	$ 241,682,553	$ 261,878,146	$ 292,105,386	$ 332,556,307	$ 377,681,311
77,384,144	75,018,154	72,168,010	79,238,061	73,997,534	67,964,648
147,010,429	149,662,416	189,710,136	212,867,325	258,558,773	309,716,663
34.08%	31.04%	27.56%	27.13%	22.25%	18.00%

CITY OF WYLIE, TEXAS **TABLE 17**
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Water Revenue Bonds: Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3): Principal	Debt Service (3): Interest	Total	Coverage
2009	$ 10,172,309	$ 9,755,859	$ 416,450	$ 185,000	$ 582,293	$ 767,293	0.54
2010	11,088,925	8,588,542	2,500,383	195,000	534,756	729,756	3.43
2011	12,580,923	8,713,780	3,867,143	290,000	420,927	710,927	5.44
2012	12,234,313	9,019,247	3,215,066	315,000	261,875	576,875	5.57
2013	13,108,252	9,609,828	3,498,424	330,000	248,975	578,975	6.04
2014	13,767,869	10,395,146	3,372,723	345,000	235,475	580,475	5.81
2015	15,473,529	10,531,564	4,941,965	355,000	221,475	576,475	8.57
2016	15,997,794	11,849,326	4,148,468	370,000	211,638	581,638	7.13
2017	18,169,571	12,832,323	5,337,248	-	285,282	285,282	18.71
2018	19,431,713	14,434,320	4,997,393	50,000	240,019	290,019	17.23

(1) Includes total operating revenue of the Utility Enterprise Fund
(2) Includes operating expenses of the Utility Enterprise Fund, less depreciation expense.
(3) Debt service requirements includes principal and interest payments on revenue bonds.

CITY OF WYLIE
GULF, COLORADO &
SANTA FE RAILWAY
1887
STATE OF TEXAS

CITY OF WYLIE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)

	2009	2010	2011	2012
Population (1)	38,300	39,000	41,427	42,804
Personal Income (in thousands of dollars)	$ 1,305,334	$ 1,190,826	$ 1,283,533	$ 1,320,375
Per Capita Personal Income	$ 34,082	$ 30,534	$ 30,983	$ 30,847
Median Age	33.7	34.3	32.3	32.3
Education Level in Years of Schooling (2)				
Less than high school graduate	14.2%	14.2%	16.1%	16.1%
High school graduate (or equivalent)	26.6%	26.6%	23.5%	23.5%
Some college/associate's degree	37.4%	37.4%	28.5%	28.5%
Bachelor's degree	17.0%	17.0%	24.5%	24.5%
Masters, professional, or doctorate	4.8%	4.8%	6.7%	6.7%
School Enrollment	11,349	11,970	12,549	12,913
Unemployment (3)	8.3%	7.2%	7.9%	6.8%

(1) Population estimate from North Central Texas Council of Governments, as modified by City staff estimates.

(2) Education per the 2010 U.S. Census.

(3) Unemployment rates from the Texas Workforce Commission website (www.twc.state.tx.us).

TABLE 18

2013	2014	2015	2016	2017	2018
43,484	44,089	45,970	47,776	50,152	52,003
$1,349,874	$1,417,550	$1,504,632	$1,579,381	$1,682,796	$1,845,898
$ 31,043	$ 32,152	$ 32,731	$ 33,058	$ 33,554	$ 35,496
31.7	31.7	31.7	31.7	31.7	33.2
16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
23.5%	23.5%	23.5%	23.5%	23.5%	23.5%
28.5%	28.5%	28.5%	28.5%	28.5%	28.5%
24.5%	24.5%	24.5%	24.5%	24.5%	24.5%
6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
13,305	13,673	14,557	15,023	15,709	16,466
5.8%	4.6%	4.1%	3.2%	3.4%	3.2

CITY OF WYLIE, TEXAS **TABLE 19**
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

	2018			2009		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wylie ISD	2,136	1	20.48%	1,539	1	19.61%
North Texas Municipal Water Dist	826	2	7.92%	465	3	5.92%
Wal-Mart	497	3	4.77%	360	5	4.59%
City of Wylie	414	4	3.97%	220	7	2.80%
Sanden Intl. (USA), Inc.	383	5	3.67%	670	2	8.54%
Kroger	255	6	2.45%	-	-	0.00%
Extruders / Tower Extrusion	230	7	2.21%	400	4	5.10%
SAF Holland	224	8	2.15%	142	10	1.81%
Ascend Custom Extrusion	180	9	1.73%	-	-	0.00%
Target	175	10	1.68%	223	6	2.84%
Total	5,320		51.02%	4,019		51.20%

Source: Wylie Economic Development Corporation

CITY OF WYLIE, TEXAS **TABLE 20**
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

	Full-Time Equivalent Employees as of Year End									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
General Government										
Management Services	13	13	13	13	13	13	14	14	15	16
Finance	5	5	5	8	9	9	9	9	9	9
Planning	4	4	4	5	5	5	5	6	6	6
Building	9	8	8	8	8	6	6	6	6	6
Other	6	7	7	7	7	7	6	7	8	9
Police										
Officers	47	49	49	48	48	49	55	63	63	63
Civilian	7	5	5	7	7	8	8	8	9	11
Fire										
Firefighters and Officers	42	41	41	44	47	45	45	49	52	52
Civilians	2	2	2	3	3	3	3	3	3	3
Animal Control	4	4	4	4	5	6	7	7	7	8
Dispatch	12	12	12	11	11	10	11	12	13	13
Streets	11	11	11	11	11	11	13	16	17	18
Other Public Works										
Engineering	4	4	4	3	3	3	3	3	3	3
Other	13	13	13	11	11	11	11	11	11	11
Parks and Recreation	24	27	29	38	38	43	44	48	49	51
Library	9	12	12	21	21	22	24	24	25	27
Water	11	11	11	11	15	15	15	15	19	19
Wastewater	5	5	5	5	6	6	6	6	6	7
EDC	2	2	2	2	2	2	2	3	3	3
Total	230	235	237	260	270	274	287	310	324	335

Source: City of Wylie annual budget book

CITY OF WYLIE, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

Function/Program	2009	2010	2011	2012
General Government				
Building Permits Issued	253	291	241	211
Building Permits Value (thousands)	$ 150,000	$ 254,669	$ 210,487	$ 224,244
Police				
Physical Arrests	1,215	1,121	1,197	1,281
Violations Issued	3,492	3,555	2,479	2,653
Warrants Issued	575	841	636	681
Fire				
Emergency Responses	2,723	2,960	2,871	2,771
Fires Extinguished	78	71	69	66
Inspections	905	1,111	1,078	1,083
Other Public Works				
Street Resurfacing (miles)	2	2	1	2
Potholes Repaired	50	50	221	137
Parks and Recreation				
Athletic Field Permits Issued	106	220	213	208
Recreation Center Admissions	14,987	14,451	14,451	247,146
Baseball/Softball Fields	18	18	18	18
Soccer/Football Fields	20	20	20	20
Library				
Volumes in Collection	47,507	47,417	47,417	49,153
Water				
New Connections	104	104	269	248
Water Main Breaks	19	19	13	9
Average Daily Consumption (gallons)	3,760,000	4,007,763	4,600,000	4,647,781

Source: City Departments

TABLE 21

2013	2014	2015	2016	2017	2018
279	298	484	433	667	617
$ 71,009	$ 113,783	$ 106,488	$ 107,516	$ 201,540	$ 155,666
1,354	794	973	1,385	1,026	1,333
2,473	2,435	2,691	4,188	4,228	2,812
874	808	919	701	1,492	870
3,456	3,527	4,168	4,311	4,478	4,755
84	49	62	89	168	72
1,251	2,380	1,980	2,039	2,150	2,724
3	3	2	4	5	3
5	28	18	43	44	81
216	113	28	28	63	41
266,834	267,066	286,357	328,495	367,665	462,309
24	24	26	26	26	26
20	20	20	21	21	21
94,868	99,744	103,544	109,392	114,715	140,905
248	125	1,240	1,219	678	139
18	7	3	4	-	1
4,005,371	3,106,694	3,625,151	3,719,076	3,543,448	4,881,666

CITY OF WYLIE, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 22

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Other Public Works										
Streets (miles)	136	136	187	194	194	194	200	205	212	243
Alleys (miles)	13	13	40	41	41	41	42	42	42	42
Traffic Signals	14	14	14	14	14	17	21	24	25	26
Parks and Recreation										
Acreage	672	668	668	668	668	877	886	886	916	910
Playgrounds	12	12	12	12	14	14	15	17	18	18
Recreation Facilities	1	1	1	2	2	3	4	4	4	4
Water										
Water Mains (miles)	119	119	145	157	157	157	157	158	161	161
Fire Hydrants	1,500	1,500	1,500	1,500	1,554	1,608	1,690	1,707	1,789	1,818
Number of service connections	10,500	10,500	11,984	11,946	11,946	12,894	14,134	15,353	16,031	16,171
Wastewater										
Sanitary Sewers (miles)	141	141	165	173	173	173	178	183	188	204
Education Wylie ISD										
Campuses in Wylie	18	18	19	19	19	19	19	20	20	20

Source: City Departments